The China Weekly

REVIEW

密勒氏評論報

A Weekly Newspaper Established in 1917

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White Russians: Flotsam of the Revolution . By William C. White

SATURDAY, JULY 23, 1932 VOLUME 61, NUMBER 8

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The China Weekly REVIEW

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YEARLY SUBSCRIPTION, FIFTY-TWO ISSUES, TWELVE DOLLARS (CHINESE CURRENCY) IN ADVANCE, POSTAGE INCLUDED IN CHINA AND JAPAN. IN THE UNITED STATES AND FOREIGN COUNTRIES TEN DOLLARS U. S. CURRENCY. REMITTANCE FROM OTHER COUNTRIES THAN CHINA AND THE U. S. CAN BE MADE BY INTERNATIONAL MONEY ORDER. ENTERED AS SECOND-CLASS MATTER IN THE CHINESE POST OFFICE AT SHANGHAI IN MAY 1917.

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WASHINGTON OFFICE
J. J. Underwood—Correspondent
Colorado Building, Washington, D. C.

THE CUSTOMS SITUATION AT DAIREN

AS neither the Japanese nor the Chinese Government has shown any intention of receding from their respective positions concerning the future of the Dairen Customs it seems probable that all cargo entering through that port in future from China will have to pay duty twice. Owing to the peculiar position of the port of Dairen, as a quasi-Japanese possession, even before the present impasse, goods which came from foreign countries first to China and then were shipped to Manchuria, as frequently happened with muck and truck articles which were urgently needed and there was not time for the Manchurian merchant to wait for new cargo to be shipped direct from the U. S. A. or Europe, had to pay duty twice, first when entering Shanghai or some other Chinese port, and again at Dairen, where cargo entering Manchuria has to pay duty, no matter whether it comes from a Chinese port or not. As the Chinese Customs would not pay any drawback, it simply meant that such cargo had to pay duty twice. Under present conditions, owing to disagreement between the Japanese and Chinese as to the handling of the Customs situation at Dairen, goods from *China* destined for Manchuria will have to pay duty twice. The Chinese government has announced that as it cannot under existing conditions collect the duties at Dairen it intends to collect them at the port of shipment. The Japanese have paid no attention to this maneuver and have insisted on collecting the duty at Dairen, adding the retort that the principal sufferers from this double duty-procedure will be the merchants of South China. As far as can be seen, under existing arrangements, if in future any foreign article is needed in Manchuria which is ordered say from Shanghai it will have to pay duty three times before it reaches its destination, viz, first on entering Shanghai, then on leaving Shanghai (duty collected as import duty by the Chinese government in lieu of being unable to collect at Dairen) and then again by the Japanese at Dairen.

Under existing circumstances it is evident that smuggling into Manchuria will now become more rampant than ever. Smuggling Japanese goods into Manchuria has been more or less winked at by the Japanese employees of the Chinese Customs service on the Manchurian border. At Antung the situation has been notorious for

years. The League of Nations during its recent investigations went into this question of imports into Manchuria which came through Korea. Comparing the export figures of merchandise which left Korea bound for Manchuria with the Manchurian figures for imports from Korea, it became clear that something like 90 per cent of the cargo which left Korea never went through the Manchurian custom houses, either at Antung or any other port, but was smuggled in. A similar situation to that at Antung, but not so flagrant, existed at other ports on the eastern frontier of Manchuria. Investigations showed that one of the principal items which entered Manchuria in huge quantities by way of Korea was sugar, probably of Formosan origin, and there are strong indications that the great Japanese trading house of Mitsui was among the smugglers. Much of this sugar, having once been smuggled into Manchuria, found its way into China proper without paying duty, on the score that Manchuria was an integral part of China. During the recent Japanese invasion of Shanghai, it has since been discovered, huge quantities of Japanese goods were landed through the Changwahpang wharf at Woosung, then under Japanese control, without paying duty, frequently camouflaged as military supplies. Among the articles thus brought in, duty unpaid, and later sold in competition with cars legitimately imported, were automobiles.

TALKING PICTURE PROSPECTUSES WHICH DO NOT "SAY" ENOUGH

THE Shanghai investing public is being bombarded both by mail and by huge newspaper advertisements with requests to invest in two rival organizations which are being formed to enter the field primarily of making Chinese talking pictures and incidentally to control the picture houses which show them. This field undoubtedly offers enormous possibilities and to exploit it will require probably even more capital than the two rival organizations now asking for the public's money count upon getting. One of these companies, known as United Theatres, is to have an authorized capital of Tls. 5,000,000—one million shares of Tls. 5 each. The other, the First China National Productions Ltd., announces its capital at Mex. $2,500,000—250,000 shares of $10 each. The United Theatres announcement contains the sub-title "Incorporated in the United States of America." The First China National Productions, Ltd., contents itself with putting "U.S.A." under its title. Both these designations as to their American character leave considerable to be desired. The U. S. Government has enacted a very carefully worded law, under which, if its terms are complied with, companies operating in China are entitled to add to the names of their companies the words, "Federal Incorporated, U. S. A." Enquiries at the local offices of the U. S. Department of Commerce elicit the information that neither of these two companies has been incoporated under the China Trade Act. When the attention of another high American official was called to this point in the prospectuses, it was admitted that the statements, "U. S. A.," and "Incorporated in the United States of America" were inadequate and should contain the definite information, otherwise they were likely to give the impression they were China Trade Act Companies, which they obviously were not. This means, therefore, that these companies are to be incorporated under one of the forty odd state incorporation laws, as the U. S. Government as such has no national laws covering the operations of companies within the country. It would be only fair to the investing public that this information should be stated properly in the companys' prospectuses, not only in order that the investing public shall have complete information as to the conditions under which its money is being handled, but in all fairness to the eminent Chinese who are stated to be connected with these companies. The first China National announces among its officers: President, T. V. Wen, former Vice-Minister of Foreign Affairs; Vice-President, Tao Chia-yao, Director General of the National Conservancy Board. The United Theatres announces that its first Managing Director is to be Lo Kan. The First China National as a "conservative" estimate, places its profit for a year at a million dollars after repaying all capital. The United Theatres proposes to lease 22 mow of land for the erection of studios and set aside Tls. 2,300,000 for purchasing control of various existing amusement enterprises. There is no intention here to question the good faith of the promoters of these two enterprises but we believe the readers of *The Review* will agree with us as well as with the American authorities who are indirectly concerned, that the statements in the two prospectuses referring to place or method of incorporation are entirely inadequate and should be corrected immediately.

WHY CHINA AND SIAM HAVE NO COMMERCIAL TREATY

THE Overseas Committee of the Kuomintang has petitioned the Executive Yuan to send a representative to Siam for the purpose of negotiating a commercial treaty between the two countries. The *Kuomin* report from Nanking referring to the above also called attention to the recent bloodless revolution in Bangkok which had resulted in the adoption of a constitutional form of government. Also, it referred to the large Chinese population in Siam and the necessity for a treaty of amity and commerce for the protection of Chinese residents and improvement of commercial relations between the two countries. It always has seemed strange that China and Siam, both somewhat similarly situated from the standpoint of foreign aggression, never have enjoyed direct treaty relationship, meaning that there never has been a Chinese minister in Bangkok or a Siamese minister in China. The generally accepted explanation is that the Siamese government has hesitated to make a treaty with China because of the large Chinese population in the country, the Siamese feeling that if they had a treaty with China and a Chinese minister in Bangkok, the Chinese minister due to his relations with his own citizens probably would have more power than the King of Siam. The total population of Siam is about 6,500,000 of which number some 2,000,000 are Laos and 400,000 are Chinese. Chinese and other members of the population containing Chinese blood largely control the domestic commerce of the country.

RICHARD WASHBURN CHILD'S PRIVATE CONFERENCE

THE official Japanese *Rengo* service carried a brief dispatch from Newport, Rhode Island, dated July 8 which appeared in all of the Japanese newspapers, stating that Richard Washburn Child had called a conference for the purpose of promoting better relations among the United States, China and Japan. Whether any Chinese were invited to Mr. Child's conference was not stated, but the *Rengo* message stated that representatives of various Japanese interests had been invited, those mentioned being the Yokohama Specie Bank, South Manchuria Railway, Mitsui and Mitsubishi Companies, comprising the leading Japanese concerns interested in financial, business and shipping relations between Japan and America. The brief message stated that the initial conference was scheduled for July 10 and if successful further and larger meetings would be held.

There is some significance in this brief message for those whose memories extend back to the hectic days of 1917 when Mr. Child previously ventured into Far Eastern affairs. By consulting the bound files of *The Review* for September 22 and issues immediately following, we find that Mr. Child made a trip through the Far East following which he wrote a series of articles on China and Japan which were published in *Asia Magazine* and *Colliers*. The texts of the articles are not aavailable, but we learn that they stirred up a considerable commotion because Japan was painted in the brightest of colors while China was depicted in darkest hue, otherwise a decadent nation wallowing in dirt and festering in disease. American and British missionaries both in China and Japan took serious issue with Mr. Child to such effect that *Asia Magazine* was compelled to discontinue his articles. By some it was alleged that Mr. Child had been sent to China with the object of conducting a propaganda designed to pave the way for the Lansing-Ishii Agreement (see issue of July 2).

Later on Mr. Child was appointed Ambassador to Italy, a position which he filled with considerable honor to himself culminating in a series of articles in the *Saturday Evening Post* which paved the way for extensive American loans to Mr. Mussolini's fascist government. Mr. Child, it seems, has a leaning toward well-ordered governments controlled by dictators, hence he probably would paint Japan in still rosier colors should Gen. Araki proceed with his plans for putting over a fascist dictatorship in the Island Empire. And since Mr. Child advocated the taking over of China by Japan in 1917, he probably is now more than ever convinced that he was right. The *Rengo* dispatch referred to in the foregoing stated that Mr. Child is a member of the Council on Foreign Relations, an American organization which has some 475 members, but it was not stated whether Mr. Child's conference on Far Eastern affairs was being held under the auspices of the organization of which he is a member. The chief activity of the Council is the publication of a quarterly review known as *Foreign Affairs*. The officers of the Council are, President John W. Davis; Vice-President, Paul D. Cravath; Secretary, Edwin F. Gay; Treasurer, Whitney H. Shepardson, all being residents of New York.

One can't help having the feeling that Mr. Child's conference dealing with the relations of America, Japan and China, must in some manner be concerned with Japan's position in Manchuria, and concerned in a way that can be of little benefit to China. Unless Mr. Child has changed his views, which is quite unlikely, he probably is 100 percent in favor of Japanese control of Manchuria, hence his conference probably has as its chief object the working out of some scheme whereby the United States would recognize Japan's position in Manchuria. As the situation stands today the State Department has declared its unalterable opposition to Japan's acquisition of Manchuria and has refused to recognize Japan's wholesale violation of the Kellogg Anti-War Pact and the Nine-Power Treaty. This means that Japan is barred from floating loans in the American market in order to consolidate her territorial gains. If the American financial market remains closed to Japan, the Japanese war-lords will have hard sledding in Manchuria and ultimately may have a first-class revolution on their hands due to social discontent in Japan proper, said discontent being greatly aggravated by the financial outlays necessitated by the military adventures in China. Japanese industrialists already owe large sums to New York banks, the amount being in excess of G.$500,000,000. With the Japanese yen now worth only a little over 50 percent of its previous value and still slipping, the Japanese are naturally having serious difficulties in meeting the interest on their American loans. Should the State Department continue its present policy of frowning on Japanese activities in Manchuria and in consequence blocking further Japanese loans in New York it can lead to but one outcome, Japan's default on the interest on her bonds held in the United States.

It is only a rough guess, but we imagine that Mr. Child's conference has something to do with this situation, our guess being based entirely on Mr. Child's previously expressed views and activities in this field. Hence, we look forward with more than usual interest to the reports regarding his conference at Newport on July 10.

Congress Adjourns---Currency to Be "Inflated"

The U. S. Congress adjourned July 16 after a session filled with unprecedented financial worries and political complications, leaving several bills for President Hoover either to sign or to veto which involve financial considerations of gigantic importance. The present indications are that President Hoover will sign the bills although he has objections to some of them either as to principle or details. It seems to be foreordained that the United States is headed for a period of currency expansion, in other words that the country will follow England and many other nations in refusing to pay out gold in exchange for paper currency. Currency expansion had been provided for by a bill sponsored by Senator Glass which would have authorized the issuing of new currency to the extent of eight hundred million dollars. When the House rejected this bill, Senator Borah, using a well known expedient, practically forced the House to agree to currency expansion measures by adding a "rider" authoring expansion to an even greater extent, namely a billion dollars, this being tacked on the Home Loan Bank Bill. The Home Loan Bank Bill authorizes the loaning of G$1,800,000,000 as aid for owners of mortgaged homes. Another important bill before President Hoover is the Unemployment Relief Bill which provides for the allocation of more than two billion dollars to be spent for reconstruction work and direct relief loans. Congress refused to be intimidated by the Veterans "Army" which had camped on the lawn of the Capitol and refused to authorize the payment of any more money on account of veterans' bonus.

In the meantime the drain of gold from the United States has continued. In the month of June the excess of gold export over import amounted to $208,000,000. The Department of Commerce figures show an adverse trade balance for June, for the first time this year.

JAPAN PURSUES ITS TRUCULENT PATH UNRUFFLED

THE attitude of Japan has during the past week or two assumed proportions of truculence and defiance almost unbelievable. Count Uchida and various Japanese military officials made it clear to the League Enquiry Commission in no uncertain terms that Japan intended to have its own way in Manchuria and that meant among other things that Japan did not intend under any circumstances that Manchuria should again be returned to China, no matter what its future status might be. In fact the League Commission was given a hint as to the way it should make out its report, which it is believed will be completed about September 1. The questions that are uppermost in the Japanese mind at present are those referring to the recognition of Manchukuo, and the disposal of the Customs question at Dairen. As regards the Customs houses in Manchuria, outside of Dairen, that matter, in Japanese eyes, is already settled, as all of the offices there have been taken over by the Manchukuo administration with the actual control in Japanese hands. The Japanese inspired telegrams, referring to the report which the League Commission will make to Geneva, predict that should the report not be "what is expected" (that is, what the Japanese Government expects), Japan will pursue a policy of "brave determination." The inspired Japanese telegrams further state that if the League Commission should recommend in its final report the opening of an international conference among the signatories of the Nine-Power treaty, a head-on collision will be unavoidable between Japan and the League, and as far as Japan is concerned in such a contingency there will be no other alternative for Japan than to take the initiative in giving prompt recognition to the Manchukuo government—this despite the fact that certain privileges which Japan had secured in Manchuria by old treaties might be affected. According to the Japanese telegrams, the Japanese Foreign Office has already prepared its plan of action along two different lines, all depending on which way the League Commission frames its report. The prominent Japanese newspapers are again hinting that if the League should take a firm attitude against Japan's operations in Manchuria there is nothing left for Japan but to withdraw from the League. At the same time there are hints that the "sensible" view for the League to take is to let things "ride" for the present, so that it will have an opportunity of seeing how matters will work out. It is, of course, obvious that if the League should adopt such a course, and it is not at all unlikely that it may do so, if for no other reason than for "face saving" purposes, Japan will have ample time to consolidate its position in Manchuria, and carefully prepare the way for complete annexation, as it is evident is the Japanese goal. Nothing much on this subject is said. It is true that the "old fox," Prince Inukai said about half a year ago that "Japan would not have Manchuria as a gift," but he has, it will be remembered, been assassinated.

In the meantime, the Japanese are busy with the plans for unifying the administrative organ which is to be established over the existing four-headed administrations in Manchuria. The War Office authorities have made certain changes in the original plan in this connection. Instead of calling the principal Japanese official in Manchuria by the name of Commissioner General he is hereafter to be known as "Special Envoy and Commissioner Plenipotentiary to Manchuria." The Japanese explanation for the change is the naive one that the old nomenclature "might give rise to the idea that this official intended to interfere with the Manchurian administration in general." The assistant to the Special Envoy will hereafter be known as the Secretary General. The proposed bureaus of finance and industry are to be abolished as being "unnecessary," and in their stead bureaus of internal affairs and police affairs are to be established.

Despite all that has been said on the subject of the supposed unpopularity of the military party in Japan there are many indications that the Japanese populace is heart and soul imbued with the idea of supporting Japan's expansion policy to the utmost. Almost daily the telegrams speak of this or that school or that district having raised sufficient money to donate an airplane to the Japanese army and just a few days ago an armored car arrived in Shanghai as a gift to the marines, the money having been raised by public subscriptions.

The military party is gaining added prestige daily, and will undoubtedly continue to do so as long as Japan is able to continue on the swashbuckling course on which it embarked ten months ago. The military party showed its strength, for example, in the matter of the appointment of a successor to Count Uchida as President of the South Manchuria railway. Count Uchida had intended that Vice-President Hatta should succeed to the Presidency, but the War Office promptly vetoed the proposition, with the result that the office of President of the S. M. R. has so far remained vacant.

Japanese Turn Down Proposed Dairen Customs Appointee

It was announced at Tokyo July 16 that the Chinese Government had proposed the appointment of Hirokiche Kishimoto,chief secretary to the inspector-general of the Chinese maritime customs, to replace J. Fukumoto as commissioner of customs at Dairen. Mr. Fukumoto was dismissed recently for refusing to remit customs revenue to Shanghai, an action characterized by the inspector-general as "gross insubordination." The Japanese Foreign Office thereupon instructed the Japanese Legation at Shanghai to withhold its approval of the proposed appointment on the ground that the Fukumoto case is still unsettled. The 1907 Treaty provides that the Chinese Government shall seek the approval of the Japanese Legation on appointing a commissioner for the customs at Dairen.

Mr. Fukumoto, customs commissioner at Dairen appointed by Manchukuo to report to the financial and foreign authorities on the transfer of the customs business at Dairen arrived at Changchun July 15. After obtaining instructions from the Manchukuo authorities, Mr. Fukumoto proceeded to Dairen.

A Japanese telegram from Changchun July 16 stated that the Manchukuo Government had decided to convene a conference of all the Customs Commissioners in order to discuss ways and means for the unification of Customs business and for the prevention of smuggling of commodities into and out of Manchuria. It is further reported that the Manchukuo authorities concerned are considering measures to be taken in view of the probability of seeing two Maritime Customs established in one place, namely at Dairen, where the Nanking Government insists or maintaining its own organization.

FORD V-8 CARS AND WORLD RUBBER SITUATION

HENRY FORD'S representatives in Shanghai last week exhibited the new Ford V-8 cars, which was a considerable news event judging from the large number of Chinese and foreigners who packed the show room of the local Bills Motor Company which holds the agency. Of chief interest among many interesting features of the new cars was the tremendous amount of rubber which is used in the making and assembling of the engines and other mechanical parts—which is in addition to the rubber which goes into the manufacture of the tires. In other words it has been discovered that small pieces of specially prepared rubber inserted between the working parts adds to the durability by eliminating friction and at the same time results in noiseless operation of high-speed machinery. If we remember correctly rubber is used in more than 100 different parts of the car in addition to its extensive use in the tires and experience has shown that the rubber parts endure throughout the life of the car along with the high-grade steel and aluminum.

But this extensive use of rubber in the new Ford "V-8," which probably will be imitated shortly by other automobile makers, will not result in any appreciable increase in the value of rubber company stocks held in Shanghai, Singapore or London, the reason being that Henry Ford has now developed his own independent source of supply in the Brazilian jungles. This fact was brought home to Shanghai residents through the exhibition, along with the new cars, of a moving picture showing the progress of the Ford rubber plantation in Brazil. According to the story that accompanied the exhibition of the picture, Ford now has some 5,000 acres of rubber trees, some of which have reached the age of four years, hence shortly will be on a producing basis. The story was most interesting, doubly so in Shanghai where many millions have been invested and lost in rubber plantation schemes in the Straits Settlements and Dutch East Indies. Briefly, when Ford the largest rubber user in the world began to be "squeezed" by the plantation monopolists in the South Seas, he set about discovering a means of beating the game. Investigations in Brazil showed that the native or wild "Para" rubber collected by the Indian natives had at one time been regarded as the best of the world, but inefficiency resulted in the industry being transplanted to southeastern Asia where climatic conditions were somewhat similar. Entering into contractual relations with the Brazilian authorities, Ford purchased vast tracts of native jungle and by using modern methods shortly converted that beast and reptile and fever-infested land into a present-day paradise of clean and orderly rubber plantations where disease has been eradicated and where the native Indian laborer for the first time in his life enjoys an 8-hour day with adequate wages and has the advantages of a modern home and school for his children and free hospitalization for himself and family in the event of illness or injury.

Henry Ford often has been criticised for his political and economic ideas but when it comes to manufacturing a first-class article at reasonable price and paying his laborers an adequate wage, he has no peer in the modern world. Even the Russian bolsheviks who professedly hate all capitalists, have, nevertheless almost converted Ford into a Soviet deity and are modeling their new industries in accordance with plans which have made him the most successful producer of automobiles. There is something about Ford which always makes news all over the world and when analyzed it probably is due more than anything else to the man's tremendous energy and courage. He could have retired from business years ago, converted his company into a stock-enterprise and unloaded it on the public. But he has resisted the urge and still continues the world's most amazing manufacturer. It is said that the change from the old model to the new "V-8's" cost him some fifty million dollars in profits last year, but according to latest reports he is practically back at his old status of producer of practically half the motor cars manufactured in the United States today.

SUIT BROUGHT BY INVESTOR IN INTERNATIONAL MATCH

IT is interesting to note that C. D. Williams, of the Yale Law School and at present a practicing attorney in New York, writing in the *New Republic* for June 22 has called attention to a method whereby legal recourse is open to those who have bought securities on a basis of "false, or inadequate, or misleading information" which may have appeared in a company's prospectus. It seems that suit involving this point has been brought in the New York Supreme Court by Florence Bramson against the banking firm of Lee Higginson and Company and the Guaranty Company of New York in connection with the purchase of International Match Corporation gold debentures. The complainant does not charge fraudulent or wilful misrepresentation, but merely that material representations of fact were made which turned out to be erroneous. One of these representations in the case mentioned was that the corporation would be actively managed by a board of directors predominantly composed of American business executives, whereas in fact the management was largely turned over to the president of the corporation. The International Match Corporation, it is needless to mention, was one of the promotions of the late Ivan Kreuger, Swedish match magnate, whose frandulent activities in international high finance have received much attention in the press throughout the world. The ensuing scandal following Kreuger's suicide, plus the vast losses suffered by investors in his various companies have had the natural effect of causing investors throughout the world to become somewhat meticulous in the matter of statements which may appear in prospectuses of companies in which they invest their money.

JAPANESE INTERFERENCE WITH CHRISTIAN MISSIONS

THE following report pertaining to Japanese military interference with Christian missionary activities in Manchuria is reproduced from a department entitled, "Correspondence from China," which appeared in the June 1 issue of the *Christian Century* published in Chicago:

Inevitably all Chinese organizations, Christian as well as non-Christian, are eyed askance with great suspicion. Any organization which appears to oppose the new regime will be crushed. Japanese police espionage there has not yet attained an efficiency equal to that in Japan. It is thorough, nevertheless. Christian work and institutions feel its weight. Christian visitors to Manchuria find themselves announced and subjected to inquiry as to the purpose of their visit. Some Christian organizations find the conditions quite depressing. Detectives sometimes attend religious meetings and sit in on Bible classes. Announcement of an address on the "Kingdom of Heaven" was objected to because it smacked too much of politics! Systematic searches by Japanese gendarmes of Christian buildings are the order of the day. Keen eyes note anything that does not fit in with the new regime. A classroom in a Christian institution had pasted on the wall a blue kuomintang chart. This "mural decoration" had not been observed by the westerner in charge of the institution. Its removal was hinted at! Everything bordering on the patriotic, such as citizenship training, study of the Manchuria question and China's foreign relations is strictly banned.

Japanese Christian organizations have been trying to initiate cooperative undertakings with Chinese groups in Manchuria. In both Japan and Manchuria funds are being raised to assist Christian work and relieve distress, Chinese as well as Japanese being designated as beneficiaries. A Sino-Japanese fellowship group, for some time in existence, decided to undertake relief work. The Japanese Christians secured a supply of food. But this turned out to be army biscuits taken from the Chinese army along with other military supplies. However, when pictures based on this relief work showed Japanese and Chinese handing out Japanese charity to wretched Chinese crowds this laudable attempt at cooperation became impossible. In one city Japanese Christians called in a group of Chinese pastors. The Japanese delegation proposed the organization of a joint council, with a name chosen by them and insisted on a photograph of the meeting—all without success. The pastors were also urged to accept 400 yen as contributions for their churches. This they declined to do. However, they finally accepted this gift for general relief work. The foreign leader of another Christian organization has been approached ten times since Sept. 18, 1931, by Japanese Christians offering financial help to the organization. In each case the help was declined. Thus in most cases these Japanese overtures, for obvious reasons, flounder badly.

In another city joint meetings of the workers of two Christian organizations were held. At the first meeting the voice of Japanese liberals was in the ascendancy. The Chinese spoke in a similar strain. Later following up this meeting Dairen Young Men, a Japanese Christian periodical, contained an article criticizing the Japanese military. The police got busy. The next meeting took quite a different tone. The joint meetings then ended.

Customs Blockade of Manchuria

In connection with the Manchurian Customs crisis, it is reported that the Chinese Customs authorities will issue shortly an order enforcing what would be a virtual Customs blockade of Manchuria. The order, it is understood, will call for the collection of Customs duties on all imports destined for, and exports from, Manchuria by Customs stations south of the Great Wall specially designated by the Inspector-General of Customs.

It is understood that an official announcement will be issued simultaneously with the order notifying all Chinese and foreign merchants to that effect. Refusal to pay the duties at the designated stations will be dealt with according to the ordinary regulations.

Shanghai Civic Bodies Oppose Opium Monopoly Plan

A score of civic bodies in Shanghai, following the lead of the National Anti-Opium Association, are actively opposing establishment of an opium monopoly by the National government, as has been recommended to the Legislative Yuan by Ministry of Finance Soong with a view to solving the present financial crisis in China. The Ministry proposes that the whole country be divided into four main districts with head bureaus looking after the government monopoly of the opium trade at Hankow in Hupeh Province, Chengchow in Honan, Sian in Shensi and Shanghai in Kiangsu.

J. Heng Liu, director of Public Health and Sanitation Department and head of the Opium Suppression Committee of the National government, according to an official of the National Anti-Opium Association in Shanghai, is among the most enthusiastic supporters of the adoption of an opium monopoly in China.

In an official communique addressed to the Legislative Yuan during the week the National Anti-Opium Association argues that such an action, if adopted, would paralyze the whole Chinese race and would be seriously inimical to the reputation of China. The Legislative Yuan is reminded of the opposition expressed by people throughout the country on previous occasions when the semblance of an opium monopoly scheme had been suggested. Though the country, the letter continues, is facing financial difficulties, a solution should be sought from other channels. The opium monopoly is cited as a precedent set by Japan and other foreign powers. Such policy, however, the message adds, has been enforced by Japan and other foreign powers in their respective colonies where, it is pointed out, oversea Chinese residents and merchants are also affected. The number of opium addicts has been steadily increasing in all places where an opium monopoly is in force, the anti-opium association cited from statistical reports. In conclusion, the association, in its communication, urged all members of the Legislative Yuan to veto the recommendation for the adoption of an opium monopoly in China.

Interviewed by a representative of the *Central News Agency* during the week Shao Yuan-chung, Acting President of the Legislative Yuan, categorically denied press reports that a set of regulations on government opium monopoly had already been referred to the Legislative Yuan for examination.

General Chang Hsueh-liang Not Willing to Forego Income from Jehol Opium

In connection with the negotiations at Peiping between General Chang Hsueh-liang and General Chang Chun, as the representative of Chiang Kai-shek, the Japanese telegrams say that it is understood that General Chang Chun's mission to Peiping is to plan measures to alleviate the aggravating anti-Manchurian situation because of the presence of General Chang Hsueh-liang in Peiping and also to take over General Chang Hsueh-liang's own income from the official sale of opium in Jehol into the Central coffers.

It is also understood that the office of the Pacification Commissioner in Peiping which has been in the hands of General Chang Hsueh-liang will be filled by another high official from the Central Government and that General Chang Hsueh-liang will be recalled to Nanking to take charge of an important official seat. However, it is said that General Chang Chun has failed to persuade General Chang Hsueh-liang to proceed south.

A brother of General Tang Yu-lin, Chairman of the Jehol Provincial Government, arrived in Peiping July 14 from Chengte, the provincial capital of Jehol. He declared that the Jehol Chairman is loyal to the Central Government and to General Chang Hsueh-liang, Director of the Peiping Pacification Headquarters.

China's Enormous Adverse Trade Balance

Figures were published by the Chinese Martime Customs during the week showing that imports into China during June exceeded Tls. 50,000,000, whereas exports amounted only to Tls. 9,000,000—less than 20 percent of the country's total trade. During the first four months of this year the excess of imports over exports was respectively 52, 14, 26, and 44 million Haikwan taels, making a total excess of some 136 millions for these four months. China's trade returns annually show an enormous excess of imports over exports. Last year the excess amounted to 525 million taels, the largest figure ever recorded.

Does the Chinese Navy Belong to China?

THE Cantonese apparently have finally succeeded in settling the squabble between their general, Chen Chi-tang and their admiral, Chan Chak. The terms are interesting in that Admiral Chan Chak is to get a free trip abroad while the naval vessels along with some 7,000 Cantonese marines are to be handed over to the command of the 19th Route Army now engaged in the anti-communist campaign in Fukien province. Hainan Island, off the southern Kwangtung coast where the "rebel" navy had its headquarters also is to be placed under the control of the 19th Route Army. Gen. Chen Chi-tang, military dictator at Canton, who precipitated the "war" with the navy by attempting to reorganize it, has agreed to pay $300,000 toward the "withdrawal-expenses" of the Cantonese marines from Hainan Island to Fukien. As for the Cantonese air force, also involved in the squabble through Gen. Chen Chi-tang's attempt to effect its reorganization, latest reports state that it also is to be amalgamated with the 19th Route Army. The result seems to be that neither Chen Chi-tang or Chan Chak have gained from their quarrel, but that the 19th Route Army has been tremendously strengthened by the acquisition of both a navy and an air-force—which development provides Gen. Tsai Ting-kai and his famous 19th with one of the strongest and best rounded military forces in China. This is a matter of considerable significance, for while Gen. Tsai is now engaged in anti-red warfare in Fukien and Kiangsi, the final outcome probably will be his control of Canton, which next to Shanghai is the most important post in the country.

However, we started out to discuss the status of the Chinese Navy, a matter brought to public attention by a recent statement of Kao Yu-tang, member of the Censor Yuan who has declared his intention of impeaching the officials of the Naval Ministry because of failure to do their duty in the recent fighting with the Japanese at Shanghai. In an interview appearing in the *Shun Pao*, in which Mr. Kao later alleged he was misquoted, he charged that officers of the Chinese naval vessels stationed at Shanghai entered into a secret agreement with the Japanese Admiral Shiozawa wherein they allegedly agreed not to fire on each other during the "war." Also, Mr. Kao alleged that the Navy refused to lend its anti-aircraft guns to the 19th Route Army for use against the Japanese planes and charged further that certain naval and marine officials absented themselves from duty in order to supervise poppy cultivation in Fukien province, said province being looked upon as the special sphere of the navy department due to the fact that most of the naval officers and personnel hail from that province. The *China Critic* (Chinese owned and edited) in its issue of July 14 reprinted the foregoing report and made the query: "One of the questions that has long troubled our mind is, what has our navy been doing? In other words, what we would like to know is just what exactly is our navy's reason for existing? Or to put it more specifically, we are curious to find out just where our navy was a couple of months ago when the valiant troops of the Nineteenth Route Army were fighting the glorious though single-handed battle with the Japanese soldiers and marines?"

As stated, Kao Yu-tang, member of the Censor Yuan later repudiated a portion of his alleged interview, but it is a fact which was cabled around the world by the foreign correspondents that during the Japanese bombardment of the Woosung Forts a Chinese naval vessel steamed by the Japanese fleet and saluted and was in turn saluted by the Japanese fleet which ceased firing long enough for the Chinese gunboat to pass the danger zone. After the Chinese warship was safely by the Japanese resumed their bombardment of the Chinese troops who were holding out at Woosung.

Whether the charge that the Navy refused to lend its anti-aircraft guns to the Chinese forces defending Shanghai is true is not known but the Chinese newspapers recently printed a curious story about the alleged kidnapping of a high Chinese naval officer by the Japanese during the course of the Sino-Japanese fighting here that has cast considerable suspicion on the activities of some of the naval officers. According to the story, General Liang came to Shanghai with his torpedo fleet shortly after the outbreak of the Sino-Japanese conflict and volunteered his services to the 19th Route Army. The torpedo commander went to Kiangyin where he set up defense works on the river. After his return from the war front, he stayed at the Oriental Hotel. On the evening of April 19 a Chinese came to the hotel and introduced himself to General Liang as a servant of Colonel Ou Yang-chu, head of the Bureau of Public Safety in Canton who was also present in Shanghai at that time. "My master sent me for you for an important conference," the visitor told General Liang. General Liang accepted the invitation and got on to the motor-car awaiting at the door of the hotel. The car, however, was driven at high speed and headed for the Japanese military headquarters on North Szechuen Road. General Liang became a prisoner and was detained for two months.

Three or four years ago the Nanking Government announced a plan for employing a number of British naval officers for the purpose of reorganizing and developing the Chinese Navy, somewhat along the lines that the Japanese employed in developing their war fleet, but apparently nothing has come of the scheme aside from the sending of a number of Chinese naval cadets to England for study. As the situation stands today, China has a considerable "mosquito" fleet composed largely of gunboats and one or two ancient-type cruisers, but it does not belong to China as a unit. Part of it belongs to Marshal Chang Hsueh-liang and is stationed at northern ports, while another section belongs to Nanking and is stationed at the central ports and a third section belongs to Canton and is, or was stationed at Canton up to the time of the recent disgraceful squabble with Gen. Chen Chi-tang referred to in the foregoing. In the Sino-Russian complications in 1929 the Chinese gunboats stationed at the mouth of the Sungari gave a good account of themselves and fought the Red

Russian fleet on the Amur until two of the Chinese gunboats were disabled and put out of commission by the longer-range guns on the Russian gunboats. But they did fight and several hundred Chinese sailors and marines were killed and wounded in the battle. But in the recent Sino-Japanese complications the Chinese fleet was conspicuous by its absence from the scene of hostilities, although anchored in the Whangpoo a few miles distant from Woosung. Of course the Chinese fleet was hopelessly outnumbered and would have had little or no chance with the modern Japanese cruisers and battleships, but most Chinese feel that the Chinese navy should have done something. Had one Chinese gunboat been sunk by Japanese gunfire the Chinese navy would have been honored throughout the length and breadth of the nation, along with the soldiers who defended Shanghai, but as stated, the navy wasn't present while the shooting was going on and the result is universal condemnation. There is hope that out of this general criticism now being leveled at the heads of the naval officials, there will be developed a real desire to reorganize the Navy and make it a part of the national defense forces. At least it might be of some service in chasing pirates and smugglers who infest the coast and inland waterways.

How the German Journalist Bartels Was Hounded by the Japanese in Manchuria

THE *Review* has on two previous occasions—on June 5, when an article on "Adventuring with Japanese Spies and Propagandists in Manchukuo" was printed, and on July 9 when an article appeared entitled "Japan's Interference with Foreign Journalists in North Manchuria"—published many details concerning the actions of Japanese spies and police in interfering with European and American journalists in Manchuria, but it is becoming increasingly evident that a great deal of the story has never been told. Reference was made in the articles above referred to, to the experiences of Dr. W. Bartels, editor of the German newspaper in Tientsin—the *Deutsche-Chinesische Nachrichten*—but it now appears that the Japanese in addition to browbeating Dr. Bartels kept him in prison at Changchun for several days. Details of his experiences at the hands of the Japanese have been given by Dr. Bartels in a letter to the editor of a Chinese newspaper in Shanghai and some of them are recounted herewith. Dr. Bartels relates that during the time the Japanese had him in custody the Japanese commissioner threatened him with a revolver, forced him to write that he would never write against the Japanese, and made him swear that nothing should ever be made public by him of what happened to him in Manchuria. Dr. Bartels relates that the Chinese police in the prison were very kind to him and during the night would bring him food, etc. One of the soldiers, who spoke English, one night remarked to his fellow policeman that Dr. Bartels was a friend of the Chinese and the "beastly" Japanese were torturing him because he was a friend of the Chinese. Little incidents like this show that the Chinese are all against the Japanese but are afraid of the Japanese militarists.

Dr. Bartels relates that on arriving in Mukden in the special train carrying the League of Nations Commission he stopped at the German Hotel in Mukden. Mr. Donald, attached to the League Commission, who travelled by boat via Dairen, stayed at the "Hempel" Hotel, nearby. At least four Japanese spies watched their two hotels day and night. When Dr. Bartels visited the Yamato Hotel to see a Chinese friend of his, who had a room on the second floor, he discovered about five Japanese spies on each floor, taking note of the doings of the visitors. One day a Chinese friend and Dr. Bartels took a walk around the Japanese section of the town, where safety was guaranteed by the Japanese. Two Japanese spies followed. When Dr. Bartels spoke to one of them, asking him how he dared to run after him, the spy answered that he had instructions from the Chief of Police to see that no harm befell them.

Arrived at the Oriental Hotel, Dr. Bartels and his friend went up to Dr. Yen's room. Within two minutes the door opened and a Japanese entered. He did not knock at the door before entering, and when he came in he did not ask permission to stay, but just sat down to a table in the room. His cause for being present, he stated, was that the Chief of Police had sent him. Dr. Yen was very much surprised and asked the spy to sign a statement to this effect, but this he refused to do. When the spy was told that the conversation was in German and that it was no use for him to stay, he left saying that he would ask a friend of his who understood German to come to the room. When the party left the hotel another spy was waiting to shadow them. Two or three days later, a Sunday, the day before Dr. Bartels left for Changchun, he had an interview with Lord Lytton in the evening, at which about 55 Japanese newspapermen and militarists were present. They asked Lord Lytton many funny questions in regard to Manchuria and referred to General Ma as a bandit, etc. Dr. Bartels admits he got excited and told Lord Lytton how the Japanese were deceiving the Inquiry Commission, and that all the Chinese who go to the railway station to greet the commission were forced to do so at the point of revolvers. Also, that the Chinese who were fighting under General Ma were not bandits but were loyal Chinese subjects.

When Dr. Bartels had finished talking to Lord Lytton, the Japanese present looked at him darkly and on the next day, on the way to Changchun, the Japanese tried to force him to leave the train. About two stations from Changchun, the train was stopped and a very rough-looking Japanese, the Commissioner of Changchun, arrived personally with a large number of Manchukuo Police who had been following on the same train and arrested Dr. Bartels very roughly. They dragged him out of

bed and threw him out of the train. He was put in prison the same night. He had to stay in a dirty hole for three nights and two days, by which time the Japanese learned all about him by reading through his private registered letters including those to his family. The Japanese later released Dr. Bartels, but prevented him from geting into touch with the members of the League Commission. He then left via Mukden for Dairen, spied upon all the way. In Dairen the Japanese spies followed him to his hotel and about four of them took rooms adjoining him, because on the next day there was a steamer leaving Dairen. The next morning, he was followed by Japanese spies everywhere and one even followed at his side to the German cafe, and sat down uninvited at the same table. At 4 o'clock, four or five Japanese asked him when he was going to leave Dairen. He replied that he would leave the next day on a German steamer. Very politely they told him that he had better leave that same day. Dr. Bartels explained to them that it was impossible for him to get all his things ready in an hour and that besides he had to visit the German Consul and many German firms. A certain Mr. Kato, who spoke English well, then explained to him that if he did not leave that day, bombs would be thrown at him in the hotel. And so on. Dr. Bartels decided to take the hint and made a rush for the steamer.

Soviets Hold Maneuvers Near Manchurian Border

AFTER a lull of some weeks relations between the Soviets and Japan are once again becoming strained. One of the results of the Japanese (camouflaged as Manchukuo) seizure of various parts of the Chinese Eastern railway, has been to decrease the earning capacity of the railway to such an extent that the railway management has begun to discharge employees by the thousands. The recent seizure by Manchukuo, under Japanese direction, of the Chinese Eastern railway wharf at Harbin with the direct object of forcing cargo which ordinarily would find an outlet to foreign countries through Vladviostock, in which case it would be transported over Russian railways, to the South Manchurian railway is very much resented by the Russians, and it was only to be expected that they would make a gesture to show their displeasure. The Soviets are stated to be carrying out maneuvers within sight of the town of Manchuli, on the Manchurian-Siberian frontier. It is recalled that the last time that the Russians carried on military operations near Manchuli was during the Sino-Russian conflict over the Chinese Eastern railway in 1929.

The Japanese are continually stating that "they have never thought of encroaching on the rights and interests of Soviet Russia," and so on, the latest occasion being when General Araki, Minister of War, was interviewed by the Tokyo correspondent of the *Berliner Tageblatt* on the Manchurian situation. General Araki is quoted as stating the Japanese position as follows: "Japan has no idea of invading Russian territory or of instigating White Russians to activities against Soviet interests. It is a patent fact that Soviet Russia is concentrating troops in the border districts, and that a section of Russian Communists is urging war with Japan or otherwise attempting to estrange feelings between the two nations, but so long as the Soviet Government is innocent of designs to invade Manchuria, the War Minister feels confident that there is no danger of serious and unfortunate situations arising between the two countries. The peace of the Far East depends a great deal on a Russo-Japanese rapprochement. Soviet Russia will do well to examine and adjust her policy with due regard for the new situation arising in the Far East by the establishment of Manchukuo, to abstain from concentrating her troops, and to desist from all pernicious propaganda and other intriguing."

It is doubtless apparent to the Soviets that although the Japanese are continually prating that they have no intention of encroaching on the rights and interests of Soviet Russia they are continually doing it with regard to the Chinese Eastern railway. The fact that they do it under the cover of "Manchukuo" does not change the fact that they are doing it, a point on which the Soviets, least of all have any illusions.

The Japanese have also repeatedly denied that they have made use of White Russians in their operations, but it is increasingly apparent that they are doing so. The telegrams last week from the North gave details of a heavy encounter between Russians who were holding a town called Hengtaohotze on the eastern section of the Chinese Eastern railway against anti-Manchukuo troops. The details of the fighting are something like this: The town was being held by Manchukuo troops, assisted by Russians, Whites naturally, and probably in the pay of the Japanese. The anti-Manchukuo forces at the outset were too strong for the defenders, who eventually withdrew. However, the Japanese later came to the rescue of the Manchukuo and Russian forces, whereupon the attackers were driven off. The Japanese thereupon entered the town. The significance of this encounter is that it established the fact that the Japanese are making use of White Russians in their campaign—a cricumstance which cannot have escaped the notice of the Soviets.

It is a significant fact that Soviet industrial activity is constantly being pushed in Siberia. Hardly a week goes by without news of the establishment of this or that industry, and when investigated it will be seen that nearly all of these new establishments are producers, or when completed will be producers, of material which comes in very handy in the carrying on of a war.

In estimating the possibilities of a war between the Soviets and the Japanese, many people are prone to point out that the economic position of Japan is such as to preclude the Island Empire from carrying on an extensive campaign. Arguments of this sort, however, fail to take into consideration, a number of important factors. It will be remembered, for example, that it was freely predicted even by so-called experts

in 1914 that the European War couldn't last more than three months because the economic strain would make a longer war impossible. But the Great War continued for four bloody years nevertheless, and although the economic strain was so tremendous that its repercussions are still felt throughout the world, now more then ever before, this was not sufficient to prevent the war from being continued way beyond all expectations.

That the Japanese commercial and financial situation is bad is quite evident, and for the Japanese to carry on a war against the Soviets at the present time would be an extremely expensive proposition—one before which Japanese financiers may hesitate very considerably before giving their O.K. But if it comes to the test, lack of a good financial position is not likely to stop the Japanese militarists from going the limit. Nor is the fact to be lost sight of that, according to a recent *Reuter* message from Tokyo, Japan is better off financially, despite the huge cost of the Manchurian and Shanghai adventures, than are many other countries. Several Japanese industries are in a specially favored position, prominent among them, rayon (artificial silk). The total production of rayon in Japan during the year 1931 showed an increase of 30 per cent over that of the previous year, while the exports of the artificial product reached nearly Yen 40,000,000 in value. The cotton yarn, paper, sugar and flour industries are also reported to be prosperous. So it will be seen that Japan's trade position is not altogether hopeless.

The Review does not wish to pose as an alarmist or war monger. But any one who watches the trend of events on the Manchurian-Siberian border can not but get the impression that the war clouds are thickening in that part of the world, and in case an outbreak occurs its repercussions will extend in many directions—probably in more directions than any one has yet visualized. The issues involved will be of a complex nature, among them being, the suppression or extension of the Soviet principle, the liberation or further domination of the Asiatic colored races at the hands of European or American Whites, and the triumph or extension of the divine right of kings as examplified in the Japanese claim that the Mikado is the Son of Heaven.

A recent dispatch from Harbin told of a conference of Mongolian princes and administrators in the so-called Barga territory of northern and western Heilungkiang Province, wherein it was allegedly decided to recognize the Japanese puppet Manchukuo. The name of Prince Gui Fui (or Kuei Fu) was mentioned as leading the movement. Prince Gui Fui has long held the post of Vice-Tutung of the Hulumber district. Hulumber is merely another name for the Barga area, which is a large section of Outer Mongolia included within the boundaries of Heilungkiang province. It is roughly bounded by the Hingan mountains on the east, Soviet Siberia on the north and Soviet-controlled Outer Mongolia on the west and southwest. Now it appears that the Japanese have been intriguing with the older princes led by Gui Fui to bring Barga into Manchukuo. The *Reuter* dispatch alleged that Gui Fui and his associates want Henry Pu-yi declared emperor of the Manchu-Mongolian Empire. The *Kung Pao*, Russian-language paper in Harbin now dominated by the Japanese militarists published a long inspired report in its issue of June 21 advocating the restoration of the "historical imperial throne of the Tai Hsin Dynasty and the coronation of Henry Pu-yi as head of the new Manchu-Mongolian Empire."

Commenting on the situation thus created, the *China Press* of July 18 said:

> There is no knowing just how successful Japanese intrigue has been in this district. A similar Japanese intrigue among the princes of Inner-Mongolia to the west and north of Jehol province early this spring resulted disastrously for the Mongolians turned on their Japanese "rescuers" and murdered Col. Seisuke Matsui, high Japanese officer who had been sent into the area by the Tokyo General Staff. It is likely that a somewhat similar situation may develop in the Barga district, for as stated there are two parties in the area, the old princes and the Young Mongols. Previously the old princes supported the Chinese administration while the Young Mongols supported Russia.
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> By dabbling in the politics of this area the Japanese are literally playing with dynamite for if an open fight should start, it is more than likely that the Outer Mongolians, who have a first-class army, would advance into the Barga area. This would compel the Japanese warlords to sent troops into the district to support their puppets and the fight would be on. Already the Japanese have a considerable force in Manchuli at the western end of the Chinese Eastern railway on the Soviet border. Obviously this force would have difficulty in defending itself against a strong Mongolian uprising, its predicament being somewhat similar to that of the Japanese force that was massacred by Russian partisans at Nicholaivsk at the mouth of the Amur in 1918. It was largely in retaliation for this incident that the Japanese sent 75,000 troops into Siberia, an adventure which cost the Imperial Japanese Empire 700,000,000 yen and which netted the Japanese Empire not one yen in profit. By advancing far afield into Outer Mongolia the Japanese warlords are again tempting fate for it is inevitable that the Soviet Russians will support the Outer Mongolians.
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> A few days after Warlord Honjo occupied Mukden last fall, he announced that everything had been settled and that Japan was ready for the "diplomatic," stage, meaning that the military phases of the Sino-Japanese conflict had been concluded. But Honjo was wrong as events of the past 10 months have shown. The Manchurian question is far from being "settled;" in fact it appears only to be starting in earnest, especially now that Honjo and the other warlords are tempting fate by dabbling in Mongolian politics. A dispatch from Tokyo (*United Press* dated July 16) stated that the Ministry of Finance had announced another bond issue of 40,000,000 yen for "special expenditures in Manchuria." And this in the face of the fact that Japanese bonds already are quoted on the world's financial markets at rates considerably lower than Chinese bonds on the same markets!

Among other things which have exacerbated Soviet opinion during the week has been the fact that the Manchukuo puppets have forcibly taken from the Chinese Eastern railway the exploitation of the 8th District in Harbin and given it to a Japanese company. The grounds for this action are ostensibly that the Chinese Eastern railway is in default to the government for ground rent. The railway company's answer to this manevuer was to refuse to move cars either in or of the district. The Japanese incursion into Jehol, just started, cannot fail also to widen the breach between the Soviets and Japan. The Japanese press also has been charging that the Manchukuo authorities are in possession of evidence tending to prove that the Soviet Government is training soldiers belonging to the anti-Manchukuo forces and also deserters from the Manchukuo army.

Japanese Start Invasion of Jehol---Murdered Liaison Officer the Pretext

AS has been evident for the past several weeks would be the case the Japanese have now commenced their invasion of Jehol province, which lies north of the Great Wall and west of the Manchurian provinces. Japanese contingents invaded Chaoyang, the terminus of a railway spur leading northwest from Chinchow, during the week. As is usual with the Japanese when they start one of their onslaughts they have to find or invent an excuse. In this instance the "serious situation" was created by allegations that a Japanese liaison officer by the name of Ishimoto, was arrested by members of General Tang Yu-lin's Volunteer Army while travelling on a train July 17 from Peipao to Chaoyang and later murdered. The Japanese allege that Ishimoto was returning to Chinchow to report on the result of negotiations on behalf of Manchukuo with Shao Tse-feng, a representative of Jehol province. It would appear that this Japanese officer was trying to induce Shao to turn traitor.

One of the important elements in the Jehol situation is the attitude of General Tang Yu-lin, chairman of the Jehol Provincial Government. Present indications are that he will remain loyal to the Central Government and that he and General Chang Hsueh-liang will cooperate to defend the province against the Japanese invasion. Tan Kuo-han, chief secretary of Jehol province, at present in Peiping, in an interview pointed out that the points from which the Japanese plan to penetrate into Jehol, that is Hunglosan and Tayaokou on the Liaoning-Jehol border, are mountainous regions which are difficult of access and which the Jehol troops can easily defend against invasion.

The Japanese telegrams, true to form, continually describe their opponents in Jehol province as "bandits." Thus we are told that the volunteer forces that took the Japanese liaison officer into custody were "bandits," and that the Japanese armored car unit which has been rushed to Chaoyang had driven off the "bandit forces," and so on. The "bandits" seem to be everywhere. A large force of "bandits" made an attack on the Fenghui railway station on July 19. A group of these "bandits" also dislocated a railway truck and attacked a railway train July 17 on the line between Chaoyang and Nanli, this being the line which the Japanese are using to convey their supplies for the Jehol invasion. Tokyo has also supplied its share of the "bandit" atmosphere, a recent telegram from there reciting that 37 "cases of bandit attack" had occurred since the beginning of the year, apparently in the S. M. R. zone. The Japanese telegrams are also doing their best to make it appear that Marshal Chang Hsueh-liang is suspicious of General Tang Yu-lin. The Japanese telegrams also hint that Marshal Chang will defend Jehol if for no other reason than that is where he gets a large income through the taxation of the opium traffic. A recent *Rengo* dispatch from Tokyo quoted rumors alleged to be current in Peiping that there was bound to be a clash in that vicinity within a few days and that the Japanese forces might reach Peiping within a week.

The present indications are that the Japanese are not going to have a walk over. The Japanese telegrams record that Marshal Chang has ordered the concentration of the 6th Artillery Brigade, the 4th Cavalry Brigade, and the 29th and 30th Infantry Bridages in the provincial border district of Jehol with Tsungchow as the converging point. The Tientsin-Pukow and Peiping-Mukden railway authorities are stated by the Japanese to have prepared 40 trains for troop transportation. Advices from Nanking indicate that the National Government will do all it can to assist the northern troops in the defense of Jehol. Wang Ching-wei, President of the Executive Yuan, recently received a delegate from the Northeastern Volunteers, Chu Hsiao-ching, and according to the Chinese press, informed him that he would give the volunteer troops all possible assistance. The Chinese Overseas are now also again contributing for the defense of Jehol as they previously did in the case of Shanghai. Present indications are that the campaign in Jehol will be an exceedingly long one.

Mongol Ambitions Fired by Manchukuo

At a recent conference of Mongolian princes and administrators of the Barga territory (Khulanbuir-Inner Mongolia), presided over by Prince Gui Fui, who is one of the most popular princes of Mongolia, resolutions these passed recognizing the government of Manchukuo, and stating that the Barga Province shall in future be known as the Hingan Province.

Reuter says that Prince Gui Fui, who will in all probability be invited to occupy an important position on the government of Manchukuo has resigned from his post as chief administrator of Barga Province, which he has held for many years. He has been succeeded by his son Ling Shen.

Since this conference several Mongolian princes have made trips to Changchun to pay homage to Pu Yi and these men, upon their return to Mongolia, have been able to dispel the doubts of those monarchist Mongols who refused to believe that a Manchu was at the head of the government of Manchukuo.

From information available it appears that the majority of the Manchus and Mongols are monarchists. A group of prominent Manchus and Mongols, many of whom now hold high ahministrative and military positions in Manchukuo, have formed a Nationalist party called the United Manchu-Mongolian Association. This association, although it was only inaugurated a few months ago, is fast becoming popular with both the Manchus and Mongols, as its principal aim is to develop the national spirit of these races.

During an interview with one of the executive officials of the association, *Reuter's* correspondent was informed that the formation of a defense corps composed of Manchus and Mongols was meeting with considerable success, and that such corps had already been formed at Schwangchengpu on the southern line of the Chinese Eastern Railway and at Ashiho on the Eastern line. He further said that nearly every town of importance on the western line had formed a defense corps, but that difficulty was being experenced in obtaining the necessary equipment for these territorial forces. A force of 50,000 Mongols in Inner Mongolia is being formed, which, it is intended, will be officered by Manchus and Mongols who have received military training abroad. The Mongolian section of the association has, for its main object, the recovery of Outer Mongolia, and its members are now actively working towards this end. Moreover, it appears that they are meeting with the support of the majority of the inhabitants of this territory, who are, at heart, monarchists. No difficulty seems to be experienced in getting the Mongols to join this movement, when once they have been convinced that Pu Yi, a Manchu, is at the head of the new government.

Japanese Farmers Cry Out for Relief

(By the Review's Correspondent)

THE recent investigation into the conditions obtaining in the Japanese rural districts, conducted by the Social Welfare Bureau of the Home Ministry, has revealed the appalling fact that the peasants, being unable to eke out their living, have resorted to selling their daughters into brothels. The investigation was conducted with a view to recommending certain relief measures to the Diet that is to be convened in August next. While the Government seems to be bent on devising some means to alleviate their lot, the peasants are not in a dormant state and are taking some measures to help themselves, for which purpose they are, first, rallying themselves into the associations of radical character to the alarm of the authorities, which have never ceased to have a good guardianship over them. One of these associations, namely, the All-Japan Federation of Farmers' Unions, affiliated with the Shakai Minshyuto (Socialist People's Party) at a meeting held on June 13, criticized the Saito Ministry in scathing terms as being a mere tool of "such plutocracies as Mitsui and Mitsubishi."

Although there is much cry about the necessity of relieving the farmers, the Government has done nothing except the passing of 650,000 yen through the last Diet for the purpose of hiring an additional force of spies by the Special Detective Bureau of the Home Ministry. This sum, together with the previously passed Yen 6,000,000 is thought to be adequate for the maintenance of the secret service of the Home Office, the main purpose of which is to spy upon the movements of radicals among farmers and laborers.

This is so far the only measure adopted by the Government, all the others having been deferred to the Diet to be convened in August next. That the Japanese farmers have become exceedingly troublesome due to unbearable conditions in rural districts is manifested by the drift of farmers towards leftist ideas, as well as by the daily occurrence of troubles between tenant-farmers and land-owners, due to the failure of farmers to pay their rents. In Osaka Prefecture alone there are registered more than 70 of these troubles as having occurred within last few months. Frequently these troubles result in the mobbing by angry villagers of landowners or officials arriving to attach the property of the farmers who have defaulted in paying their rents.

Speaking of the Shakai Minshyuto as a party fostering the farmers' cause it should be stated that it has recently been split into two parts in which the Home Office is believed to have played a certain role. The bolting of the group headed by Mr. Akamatsu and the forming by him of the party known as the Japan National Socialist Party is viewed by the Government as the right way towards which should be directed the activities of the unsatisfied sections of farmers and laborers. The Government believes that this party with its principles of state socialism and Mikado on the top of it is the right one through which the impoverised farmers and laborers could give vent to their dissatisfaction. It is an open secret, too, that the party's principles are being shared by some of the Army and Navy officers especially of the younger set.

Hopelessly in Debt

The hopelessness of Japanese farmers is emphasized by the size of their indebtedness which has been calculated to reach the round sum of 6,000,000,000 yen. And there seems to be no palpable way out of this indebtedness. The recent investigation of the farming conditions in Osaka Prefecture, situated in the most fertile valley, has revealed the fact that the per household indebtedness of farmers is as big as Yen 600.—, which makes 50,000,000 yen for the whole agricultural population of the prefecture. The number of villager who failed to pay in their taxes reached on December last the figure of 60,000, against 14,000 in 1925. The lot of Osaka farmers seems to be far better if compared with the farmers of Hyogo Prefecture, for, as it has been revealed recently, the per household indebtedness of villagers of that province is as large as Yen 1,700. In some instances the indebtedness is found to be as high as 3,500 yen.

The origin of this indebtedness lies in the fact that, originally, the peasants had no land of their own, nor money to buy it so they were obliged to buy it from the landowners on credit terms, or were obliged to contract large debts with the Government's Agricultural and Industrial Bank. In Hyogo Prefecture, when the tenant-farmers set about buying the land, the price they paid or contracted to pay for it was Yen 800 per lot of 1.5 acres, whereas the present price of the same lot is Yen 200. In view of the steady decline of prices on agricultural products the farmers have found it exceedingly difficult to keep on paying their loans or interest, hence the disastrous size of their indebtedness. To make the matter worse, many farmers, just to meet the interest payment of their loans, have contracted debts with village usurers under terms much worse than with the public institutions.

According to the data collected by the so-called Agricultural Promotion Institute of Hyogo Prefecture the average net income of the rice producing village household was in 1931 Yen 406.56, from which after deducting expenditure on living, maintenance of farms and payment of taxes, there remained a deficit of Yen 77.95. The deficit calculated for the silk producing household was still greater, namely, it came to Yen 117.86. "Thus they cannot make both ends meet and their debts increase annually" said one of the officials of Hyogo Prefecture to the representative of the *Osaka Mainichi*, explaining the plight of farmers of his prefecture.

From the above it becomes clear why the farmers have failed in the payment of their taxes and loans contracted with individual landowners, money-lenders or public organizations. In former years they could come in winter to cities and be engaged there in some manual work, but since the advent of the present crisis this source of income has been shut for all practical purposes. The closing down of industrial establishments in cities, where there were engaged many peasants, and their subsequent drift to villages, have added much to the gravity of the situation. Whilst the income of farmers has been declining steadily the taxes have been, on the contrary, mounting up steadfastly. The quoted authority stated that in 1925 the percentage of taxes to the average farmer's income was 9%, whereas in 1931 it was as high as 25%. The recent armed adventures in China, which have brought about an additional and so far unproductive burden of 160,000,000 yen, seem to aggravate the none too easy position, since it means the loading of the Japanese taxpayer up to the point where he can no longer bear any of it. The glory of the Empire has its grim side.

No Real Plan So Far

The noteworthy side in the attitude of the Government and the ruling classes towards the farmer's predicament is that there has so far been worked out no tangible plan for their relief, all what has been preferred or written about being nothing more but the beating about the bush. This will explain why the Diet is to sit again early in August next, when it is expected the Government will offer a definite relief legislation. The Government and both the major parties—the Seiyukai and the Minseito—seem to agree that the inflation of the currency would go a long way towards the helping of the farmers, since it will cause the price of agricultural products to leap up, bringing about an all around improvement for all. The Seiyukai party went so far as to propose the establishment of the new parity for the gold

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White Russians: Flotsam of the Revolution

BY WILLIAM C. WHITE

(New York Times Magazine, June 5, 1932)

THE wrecking of a Japanese troop train in Manchuria a few weeks ago not only killed a number of Japanese soldiers but revealed more clearly than ever the complexity of the whole Manchuurian political situation. For, when the authorities sought some trace of the guilty parties they found conflicting points of view: the Japanese blamed either the Chinese or the Bolsheviki, the Bolsheviki said that the White Russians were guilty, the Chinese stated that either Red or White Russians had planted the bomb, and the White Russians insisted, loudest of all, that agents sent into Manchuria from Soviet Russia were responsible.

In a situation already made inflammable by friction of the conflicting interests of citizens of Soviet Russia, China and Japan, the presence of a fourth group, the White Russians, is like adding nitroglycerine to an oil-soaked lumber pile. One hundred thousand "Whites" are but a small proportion of the population in Manchuria, but their presence further complicates an intricate problem.

Every large city the world over knows the White Russians (the adjective denoting political coloring, in contrast to the Reds). They are the exiles, usually from the upper classes of Czarist Russia, whose roots were torn up by the cyclone of revolution. They were blown to the four corners of the earth, to begin life anew with little capital, as a rule, except hopes and dreams. In varying degree these émigrés dream of returning to Russia. The more they dream of that return in some far future day, the less successful is their attempt to root themselves in the land of exile. With Russian territory only a few hundred miles away, dreaming has been one of the chief occupations of the Whites in Manchuria.

There are large groups of White Russians in Paris, in Prague, in Berlin. The group in New York is much smaller. In these cities of the West they have tried to fit themselves into the life of their chance-chosen land with varying success, but in European capitals they are still a group apart from the local population. The economic crisis has made their problem of readaptation even more difficult.

Little Unity in Groups

There is little political unity in any of these groups. Coming from all classes of Russian society, with all the varied political viewpoints that marked those classes before the revolution, they still maintain, in exile, the same groupings. The only difference has been an increase in the number of squabbles and disagreements among them. Paris today has two Russian newspapers, one "royalist," one "bourgeois." From the editorials in them it is often difficult to judge which each paper hates the more—Soviet Russia or the rival newspaper! One recalls the ancient proverb: "Where there are three Russians there are three political parties!"

Never united around any one leader, cause or even hope, the White Russians in Europe today find their own existence complicated by the actions of the White Russians in Manchuria, just as that group complicates the international situation in that disorganized land.

Next to the Japanese, the Russians are the largest group of foreigners in all China. There are more than 100,000 of them in Manchuria, using Harbin as their centre; there are 10,000 in Shanghai, and large colonies in every Chinese city. In census reports they are lumped together as "Russians," but there are as many differences between the various classes of Whites as there are between Reds and Whites.

There is in China, and particularly in Manchuria, a relatively small group of Reds looking out for the interests of Soviet Russia on the Chinese Eastern Railway and performing other semi-official duties. But most of the Russians in the Far East are Whites, and there are at least two sets of these. There are those who were in Manchuria long before the revolution, working on the railway and acting as an outpost of the Czar's empire. Many of these have lost their positions in various businesses since the revolution, but they are not fugitives in the literal sense of the word and have suffered only indirectly from the Bolsheviki.

The second class of White Russians—and they are in the majority—are the refugees. Some of them were middle-class people living anywhere east of the Volga in 1918; some were wealthy peasants from the regions north of the Manchurian borders. The greater proportion, however, are the remnants of the Kolchak army, which fled after the execution of their General in 1918. These White troops remained for a time thereafter on Russian soil, supported by the American and Japanese forces of intervention. When this foreign support was withdrawn and Soviet Russia was able to establish herself all the way to the Pacific, the White troops fled into Manchuria. They have been there since. And it is they, in particular, who are the greatest problem in Manchuria.

As refugees, all Whites were forced to find some occupation in a land where work was scarce. Most of the White soldiers remained soldiers—freebooters, by force of necessity, purchasable by any group that had money; some of them have even served Soviet interests secretly. Many of them have been at times in various Chinese armies. Others have clung together as distinct Russian units, willing to serve any General who had a well-supplied paymaster. Leaderless, with no one headquarters of centre, without any regular means of support, they have been a problem in Manchuria ever since their arrival.

Harbin, Center of Intrigue

The White Russians as a whole have tried to keep alive much of old Russia. Harbin, with all its potpourri of races, its bubbling intrigue, has all the characteristics of an old Russian city. Wherever there are White Russians there are the customs, the speech and the ceremonies of old Russia. A few weeks ago White Russians in Shanghai reorganized a Russian guard. According to the report, "the ceremony of consecration was used, after which the priest addressed the men on the significance of the ceremony and of the colors which signified the continuance of the old spirit of Russia. After honoring the guests with ceremonial glasses borne aloft by an orderly who bowed to the ground without upsetting a drop, the honor guests were tossed in the air by a picked group of men of the regiment"—an old Russian custom.

The Russian revolution had a profound effect in lowering the prestige of the white man—in China. White Russians—noblemen, business men, estate owners and clerks, and their wives and daughters—were forced to take any kind of job at which they could earn enough to keep alive. Some of the exiles had to compete with the Chinese and with Chinese wage scales for the most menial kind of work—boot blacking, stevedoring, and even coolie labor of various sorts. In such cases the Chinese have often taken advantage of the chance to dominate the white man; thus the White Russians in the Far East have fared worse perhaps than White groups in any other land.

At the same time many of the White Russians were forced to take Chinese citizenship. For those who wished to work on the Chinese Eastern Railway—owned half by the Chinese, half by Soviet Russia—this became a necessity, since the Soviet-Chinese operating agreement stated that only Soviet citizens and Chinese citizens could be employed.

These facts will help to explain the present attitude of the White Russians in Manchuria, and particularly of those who are professional soldiers, that anything is better than a continuation of the *status quo*. They will explain why the White Russian colony in Harbin greeted the arrival of Japanese troops a few months ago with more enthusiasm than did the resident Japanese colony itself. Circumstances have thrown the sympathies of the White Russians completely to the side of a Manchuria free from Chinese control.

"If" the Japanese Are Successful

But their sympathies and desires go a step further; and it is here that the Whites particularly scrambie the situation. If (that word should be underlined) the Japanese were to declare war on Soviet Russia and if they were victorious, and if they set up an "independent republic," with Japanese support, on the Pacific coast, with Vladivostok as its capital, then the White Russians would have a chance to return to a part of their home-

land, even though it meant being under Japanese protectorship. There are a lot of "ifs" in that sentence. But the Japanese did operate such a government in the very same territory for several years after Russia's civil war.

Whatever the groupings or the ambitions of the various kinds of White Russians in Manchuria, they are united by a double hatred—of the Chinese and of Soviet Russia. Nothing would please them more, from a spiritual and a material point of view, than to have Soviet Russia cut off from the Pacific and to have a part of Russian soil on which they could settle and operate and re-create a bit of old Russia.

Manchuria pushes north into Soviet Russia like a wedge, leaving a long, narrow stretch of seacoast in Soviet hands but blocking the most direct approach to that coast. The centre of this Pacific littoral is Vladivostok, a city difficult for the Soviet troops to defend, particularly if the enemy were operating from Japanese bases in Korea. Vladivostok, "mistress of the East," the best port on this northern Pacific, is supplied by two railroads—the Chinese Eastern (the Manchurian continuation of the Trans-siberian), and a less direct branch of the Trans-siberian which skirts the northern edge of Manchuria and comes into Vladivostok from the north.

Possession of Vladivostok by Soviet Russia means more than the prestige of an open-water port on the Pacific. With the present economic organization of the Soviet Union, its possession is vital to Soviet interests. It is often cheaper to supply Siberia with materials purchased in Canada or America through this port than to send them overland from Europe or even from European Russia by rail. Statistics show that the port is now more active than it was before the revolution. At the same time the city is the centre of the important Soviet fishing industry, and an outlet for Siberian produce.

On paper, the possession of Vladivostok by Japan, or by a White Russian government directed from Tokyo, would simplify many of the problems connected with the Japanese occupation of Manchuria. But from here on one must go into the realm of conjecture.

It is easy to say, as has been frequently reported, that the Japanese are organizing the White Russian military remnants in Manchuria with a view to using them as a catspaw to seize the Pacific strip from the Soviet Union. To accept that as true is to believe that Japan is seeking a war with Soviet Russia, which would be sure to follow such provocative action. Japan's attitude in this regard is known only to the Japanese War and Foreign Offices.

Fishers in Muddy Waters

But the realm of conjecture interests the White Russians in Manchuria very little. They have by necessity become fishers in muddy waters and they have helped occasionally to make the waters muddier. War between Soviet Russia and Japan would offer them the finest chance for action—and profit—that they have had since the revolution. Consequently, they have acted frequently in past weeks as agents provocateurs. Moscow loudly trumpets at home and abroad that such provocative acts as train wrecks, attacks on Soviet citizens, and White armed camps near the Soviet border are inspired from Tokyo. The probability, although no one can be certain, is that much of this provocation comes not from Tokyo but from the desires of the Whites to escape from their present plight of being freebooters in an inhospitable land.

Seldom do Chinese, Japanese and Soviet Russians agree on anything, but I have heard them speak of the White Russians in Manchuria with startling unanimity: "They are a group that has the greatest nuisance value of any gang of people anywhere!"

It is as a "nuisance" that the former White officers and soldiers in Manchuria find their new calling. Moscow asserts that the Japanese have armed, equipped and utilized this "nuisance" for Japanese ends. The Japanese deny it. The danger does not lie in Soviet-Japanese contradictions, but in the fact that the "nuisance" is always there, waiting eagerly to be utilized.

The lack of a leader prevents the Whites from playing a more important role at the moment. For a time a former Cossack chief, Semenov, commanded the allegiance of a majority of them. In the year since the revolution he has shown himself to every one—even to the Japanese, who for a time supported him—to be one of the most thoroughgoing scoundrels in a region where double-crossing thrives and flourishes. At the present nothing unites the Whites except desires.

The whole Manchurian situation is too involved to permit any glimpse of what the future holds. Yet it has aroused the hopes of White Russians the world over. There have been rumors that the Japanese have tried to recruit unemployed young White Russians in all the European capitals, and even in San Francisco. The Japanese deny it and point to the fact that their consulate in Paris refused to visa passports of White Russians bound for Manchuria via Tokyo. The Japanese did recruit White Russians during the Shanghai affair to take the place of Chinese coolies who refused to work. This fact, perhaps, is the basis for the many recent rumors that the Japanese have recruited White Russians for military service.

Every White Russian colony outside Manchuria has been hotly debating a problem more fundamental than that of the possibility of a Soviet-Japanese war. The question is whether White Russians should in any way support Japanese ambitions on the Asiatic continent. Whatever Japan's plans may be, or may hold, for the prosperity of White Russians, there is one aim in them —to extend her foothold on the mainland. Czarist Russia fought to prevent that. Soviet Russia would fight to prevent it.

Whites far enough removed from the scene to be able to judge the problem more dispassionately than those in Manchuria are inclined to feel that if the emigres helped Japan to move northward on the mainland, it is the White Russians who would be the eventual losers. They remember a statement which appeared in a Japanese newspaper published in Vladivostok when the Japanese held that city in 1920: "Japanese policies in Siberia should be dictated by consideration of our own interests and we should give no special consideration either to Semenov or to any other White leader. We must only utilize them!"

The whole problem, finally, has brought forth one of the most interesting statements since the revolution, a statement which reveals more of what lies at the basis of the psychology of many White Russians than anything had done previously. It was made last month by General Denikin, leader of the counter-revolutionary forces in South Russia in 1919, before a group of his fellow-exiles in Paris. The White Russian colony there, as elsewhere, was sympathetic to the idea of offering help to the Japanese in any plans they might have.

The General spoke for an hour—and men rose to their feet to shout: "Denikin—a Bolshevik!" "Why don't you join Soviet Russia?"

For, in his speech, he said: "Don't mix in strange affairs. Don't count on Japanese help, for their interests are opposite to the interests of Russia. The occupation of Manchuria is a direct threat to the Russian Far East, and remember that Soviet Russia, albeit weakly, is none the less guarding Russian interests! Any participation in taking Russian territory is unthinkable. To break up Russian territory into little bits is easy. This, of course, would weaken Soviet power; but what then is left of Russia?"

There has been no better indication of the depth of Russian national spirit than his remarks, for he implied that the interests of Russia—which goes on—transcend the interests of any group desiring to smash Soviet Russia?

Yet his words fall on deaf ears in Manchuria. There thousands of White Russians sit in the cafes of Harbin—that most Russian of non-Russian cities—unemployed, adventurous, waiting and hoping that the waters will grow muddier and muddier and that eventually Japan will show them the way out of their long exile.

Will of Horatio Robertson's Brother Provides for Chinese Servant

Captain Horace G. Robertson of Cardiff, Wales, a retired seafarer who died leaving £78,000 by his will, has placed £7,000 in trust from which will be paid monthly the sum of Tls. 200 to Lo Ah-moan, of Tientsin, who was at one time housekeeper for Captain Robertson's brother, Horatio Robertson, a typical old-China hand, who died in Shanghai two years ago. Captain Robertson inherited the bulk of his brother's fortune.

China's Constructive Achievements

BY C. T. WANG*

UP to about ten years ago there was very little in China of what is known as public spirit among the people. Such things as projects for material developments for the benefit of all the people instead of only for the advantage of a family or a village was practically unknown. Such enterprises as were undertaken in the nature of public service were extremely rare. Things were done then as they were done fifty or a hundred or a thousand years ago. The spirit of modern progress based on a clear conception of public welfare was hardly known to the masses.

Then a sort of mental revolution seemed miraculously to have taken place over night. A new spirit was born—the spirit of progress, of duty to the nation, of public service and national unity. In the space of ten years, during which the political world of China was continually wracked by strife and internecine warfare, by flood and famine, by the thousand and one disruptive forces which impeded progress —within the brief span of a decade China has made such substantial and encouraging progress toward modernization that I think an enumeration of accomplishments will surprise even those who have an idea that they are familiar with conditions in this country.

We are all too familiar with the floods and famines, the communist uprisings and bandit depredations, the civil wars and political intrigues. I am going to tell you something about those things that count more in the upbuilding of this country.

To start with let us consider civic improvements. Most of you must have read from time to time of the progress that has been made in the modernization of our cities. Canton is an example. Ten years ago Canton was a city of narrow winding alleys that passed for streets. Today there are sixty miles of the most up-to-date paved thoroughfares in that city, some of which are over a hundred feet wide. This principal center of South China, besides other developments in public utilities, is now connected with all cities in Kwangtung Province through a network of highways. Roads in territory on the opposite shore of the Pearl River are joined to the metropolis by two modern bridges.

Great Improvement at Amoy

Amoy is another example. Only a decade ago this city had the very unsavory reputation of being one of the filthiest and most malodorous spots in the whole country. What do we see there today? Over forty miles of clean modern paved streets, the finest public park in all South China, and one of the very best built and equipped universities are among the accomplishments of this city within a decade.

Similar progress has been made in all parts of the country, in Hangchow, Hankow, Tsingtao, Weihaiwei, Nanking, Peiping, Shanghai, etc., etc.. I remember with what skepticism many people contemplated the re-establishment of Chinese administration in Tsingtao. "It will go to the dogs after the Chinese take it back," they confidently predicted. Go to Tsingtao today and look at it. Quite well known to many people, especially those who expected and predicted the worst, Tsingtao today in all respects is a more developed and plesanter place than it was before Chinese control there was re-established.

The construction of highways in China during the past 10 years in a matter that should convince every skeptic of the new spirit which permeates the people. I neither claim that what we now have are enough, or that more roads could not have been built. I present the achievements in this direction of a country in which there has been so much of everything to discourage progress that chroniclers of recent Chinese history have succeeded in making the world think that in China only destructive forces are at work.

Ten years ago the whole of China could boast of not more than 700 miles of highways. Up to the end of June of last year there were more than 32,000 miles in eleven provinces with 36,000 miles more projected, of which I am sure a considerable portion has since been completed. These are inter-provincial roads.

Inter-provincial roads also have been built, the outstanding one being that connecting Tunghwan, Sian and Lanchow—360 miles long. The existence of this road has reduced the time required for a journey that formerly took a month to something like five days now.

China has been described as a land in process of disintegration. Within the space of ten short years this country has constructed over a thousand miles of railways. There is a short line of 150 miles in Chekiang Province which was built and financed by the people of districts through which the line runs. China is a poor country, but her people possess wealth to an extent that is not generally appreciated. More than money, confidence is what the people need—confidence in themselves and in their country. Once this confidence takes root in the heart of the people progress will be made at such a pace as will astound the world.

I have seen with my own eyes a great deal of the developments to which I have made reference. In my travels throughout the country I have not had any difficulty in seeing through the surface disruptions to the solid bottom of constructive achievements. The Chinese people more than those of the world outside should know more about these accomplishments. They know far too little of what is going on in the country beyond the districts they inhabit. With a picture of the aggregate achievements of the whole country, their spirit of nationalism will be so invigorated that the added impetus which is bound to result would spur them to feats of constructive activity that would soon place China in the front rank of modern developed nations.

*Extracts from a speech delivered by Dr. C. T. Wang, former Minister of Foreign Affairs, at the annual dinner of the American University Club, Shanghai, on Friday, July 8, 1932.

China's Air Forces Suffered Heavily During Recent Shanghai Hostilities

An impressive memorial service was held at Nanking July 17 for the members of the National Air Force who were killed during the Japanese invasion of Shanghai and Woosung in February. General Chen Yi, Vice-Minister of War, presided over the ceremony, which was attended by many Party and government officials and members of the air and land forces. In the course of his address, General Chen mentioned that thirty members of the Air force were killed during the Sino-Japanese hostilities. He pointed out that as the Chinese air force is still in a state of infancy, the loss of so large a number of experienced pilots cannot be easily replaced. He concluded by paying a warm tribute to the gallantry of the aviators who had given their lives in the defence of the nation. He also announced that liberal compassionate grants had been made to the bereaved families.

Labor Commission Established Under Jurisdiction of Executive Yuan

The establishment of a Labor Commission under the direct jurisdiction of the Executive Yuan is provided for in a revision of the Law governing the organization of the Executive Yuan adopted recently by the Legislative Yuan. The new Commission, it is understood, will take charge of matters pertaining to the interests of labor as well as the fostering of closer cooperation between capital and labor.

The revision also provides for an increase in the secretarial staff of the Yuan, which has been necessitated by the additional responsibilities of the Yuan since the revised Organic Law of the National Government has elevated the status of the Yuan virtually to that of a Cabinet.

New Chinese Invoice System Goes into Effect September 1

The Chinese Government's new consular invoice regulations governing all merchandise imported to China from foreign countries will become effective September 1. The Chinese consular invoice plan is patterned considerably on the style of those of America, Great Britain and other important foreign countries.

Under the terms of the regulations, on and after September 1, it will be necessary for consignors of merchandise in foreign countries, when such goods are consigned to China, and are valued at Mex. $200 or more, to obtain from the nearest Chinese consulate the regulation forms governing goods shipped to China. A fee of U. S. $2 (five Chinese Customs gold units) will be charged.

Szechuen-Sikong-Tibet Tripartite Entanglement

BY C. Y. W. MENG 孟長詠

Serious fighting, involving more than 1,400 casualties among the Szechwan forces, was reported in telegrams received at Nanking during the week. According to the message, which emanates from military sources, the Tibetan troops launched a large-scale offensive against the Szechwanese forces on July 1. The Tibetans were repulsed and, two days later, the Szechwanese opened a counter-attack which proved greatly successful. The Szechwanese have captured the cities of Paili and Chatuei and are now advancing on Tachin, the base of the Tibetan forces. The losses among the Szechwanese are placed at 370 killed and 1,060 wounded.

STARTED as an ordinary trifling dispute between two monks over a property, the issue has developed into actual warfare, first involving two of China's frontier provinces and now involving three provinces; it has revived the traditional dispute between two leaders of rival religiors in Tibet—the Dalai Lama and the Panchen Lama—and it even has had a tendency to involve Sino-British foreign relations.

Dispute over Property

In Kan Tze Hsien (甘孜縣), on the west of Sikong province, there is the Tai King Temple (大金寺) which has about 2,000 lama followers. They possess rifles and they never pay any respect to the Chinese officials.

There is another temple known as Ai La Temple (亞拉寺), belonging to the Pei Li Tribe (白利土司). The head of the temple is Wu-Do-Kai-Do (呼圖克圖). His temple is under the control of the Tai King Temple. But the father of Wu-Do-Kai Do once demanded that he should be allowed to take charge of the affairs of the Ai La Temple, and further demanded that 15 Fu (families) should be assigned and be put under his command, to which the tribe all agreed.

Another son of the same tribe but belonging to a different temple known as Teh Ke Temple (德格寺) once returned to the temple and demanded to examine the deeds of the temple property. But instead of returning the deeds to Wu-Do-Kai-Do after the examination, the son of the tribe ran away with the deeds. The head of the Ai La Temple detained one of the Teh Ke temple lamas as a hostage for the return of the deeds, which were at last returned, but a bitter feeling between the two temples has since existed.

Realizing that they might not be able to protect themselves against the enemy, Wu-Do-Kai-Do, the head of the Ai La Temple, and his followers, voluntarily surrendered themselves to the Tai-Kin Temple together with all the property including the 15 Fu.

On the ground that they are going to take over the property of Ai La Temple, the Tai King lama threatens to use force if the former should refuse to surrender.

The Pei Li Tribe then appealed to the magistrate of Kan Tse Hsien for justice. Another representative was sent to the headquarters of the National Defence forces for the Szechuen-Sikong-border, complaining of the brutalities committed by the Tai King Lama.

According to the report from the magistrate of Kan Tse Hsien, the Tai King Temple, on June 18, 1920, attacked the tribe, destroying the property and carrying away many of their men and women and occupying the whole village.

The political council of Sikong Province on the one hand ruled that Wu-Do-Kai-Do, as the head of the temple, had no right to surrender the property of the temple to others and on the other hand, ordered the Tai King Temple to stop the military actions and to await for an amicable settlement. Such orders were not only not obeyed, but the Tai King lama on Aug. 31 1930, attacked the Chinese forces. On September 2 the Ai La temple was retaken by the Chinese forces from the hands of the Tai-King lama.

After being defeated, the Tai King lama turned to Tibet for help. The Dalai Lama, now ruling the whole of Tibet, sent large renforcements to the help of the Tai King lama. When the Tai King lamas again ordered to stop the military actions, they replied that their occupation of Ai La temple is "reasonable" and that if the Chinese would like to start negotiations they had better approach the Tibetan chieftain, meaning by this that they had entrusted the Tibetan chieftain to handle the situation for them. The Tai King lamas began their general offensive on the Chinese forces on Dec. 5, 1930.

Tang Kung-sen's Mission Failed

In the early part of 1931, the Central Government appointed Tang Kung-sen (唐柯三), a member of the Commission of the Mongolian and Tibetan Affairs, to proceed to Sikong with a view to effecting an amicable settlement of the dispute. Mr. Tang returned to the Capital as short time ago. In his report he said that the dispute would have been settled had it not been for mishandling of the situation by the magistrate of Kan Tse Hsien and the provincial authorities of Sikong. He said that when he reached the Sikong border he found that the Tibetan troops had already occupied Kan Tse hsien and Chien Hwa hsien (瞼化縣). The situation was so bad it left no room for any mediation. Despite repeated orders from the Central Government to the Dalai Lama to cease to help the Tai King Lama and to stop the hostile actions and to withdraw from Kan Tse and Chien Hwa hsiens, such orders were totally disregarded. Mr. Tang then asked General Liu Wen-hui of Szechuen to send some troops to accompany him to Tibet, his idea being to bring forces to back up his negotiations with the Tibetans. But General Liu did not consent to this. Mr. Tang went to Lu Hwe (鏈霍) alone. When he reached there, he appointed Mr. Liu, another member of the Commission of the Mongolian and Tibetan Affairs, to proceed to Kan Tse to meet the Tibetan representatives to first discuss the withdrawal of the Tibetan troops from these two hsiens and to urge the Dalai Lama to send his own representative to Kan Tse to meet Mr. Tang himself. But the Dalai Lama's representative, under various pretexts, never came to meet Mr. Tang. After three months of fruitless negotiation, Mr. Tang discovered that the Tibetan chieftain was not sincere in the negotiations, and recommended to the Central Government to employ force in order to take back the "lost territory"—Kan Tse and Chien Hwa hsiens. At the same time telegrams were sent to Chingkai and the Yunnan provincial authorities to take up arms, apparently with a view to coercing the Tibetans to come to an agreement.

By that time, the Japanese occupation of Mukden took place. The Central Government having no desire to have any trouble with the Tibetan people agreed to the Dalai Lama's demand to negotiate first the question over the Pei Li tribe and to leave the other question of the withdrawal of the Tibetan troops from Kan Tse and Chien Hwa hsiens on the table. But Mr. Tang protested and pointed out to the Central Government the inadvisability of leaving the question of the withdrawal of the Tibetan troops from Kan Tse and Chien Hwa hsiens to be negotiated later. Mr. Tang insisted on "without withdrawal; without negotiation." But the order from the Central Government was that during the present national crisis, peace with Tibet is better than anything else. Owing to his inability to convince the government, Mr. Tang tendered his resignation and returned to the Capital.

General Liu Wen-hui is now authorized with full power by the Central government to settle the situation. Miss Liu Mei-ching, a Tibetan, Secretary of the National Government, was also sent to Tibet to meet the Dalai Lama to effect an amicable settlement. The Government is also contemplating to send one or two pacification commissioners to Tibet. Tai Chi-tao, former president of the Examination Yuan, and Shih Ching-yang, chairman of the Mongolian and Tibetan affairs committee, may be appointed to go to Tibet.

At the time when this article is written (July 16) it was reported that General Liu Wen-hui had wired to the Government reporting that Kan Tse and Chien Hwa hsiens, which were taken by the Tibetan troops, had been taken back by the Chinese forces. But the hostilities have by no means ceased.

Dalai Lama vs. Panchen Lama

The present dispute between Sikong and Tibet has resulted in reviving the old dispute between the Dalai Lama and the Panchen Lama, two great rival leaders in Tibet. The representative of the Panchen Lama in Nanking, in a memorial to the Central Government, petitioned the government to launch an expedition against the Dalai Lama, and further charged the latter with "ten big crimes," such as disobedience to the orders of the Central Government; being Pro-British; breaking down the Buddhist laws; inciting the invasion of Chinghai, etc. The Panchen Lama himself had also petitioned the Central Government to send an expedition to Tibet for the punishment of the Dalai Lama, the latter being held responsible for the present trouble between Sikong and Tibet.

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National Health Administration; patent and proprietary medicines; field health service, medical education, prevalence of communicable diseases.

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Rock formations of varied types; Governmental legislation and activity in mining: coal, iron, manganese, copper, gold, antimony, tungsten, tin, arsenic, aluminium and non-metallic minerals.

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Early foreign trade.—Origin and development of trade with Portugal, Netherlands, Soviet Russia, America, Germany, Great Britain (British Economic Mission), Japan, France.
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Army and Navy:
Arms, uniforms and equipment; arsenals, arms embargo and cancellation; strength and distribution of armies; foreign garrisons in China; Shanghai Volunteer Corps; Chinese Navy.

Sino-Japanese Issues:
Japanese and Chinese statements of principal points at issue, including report on anti-Chinese riots in Korea, Japanese invasion of Manchuria, disturbances in Tientsin, Japanese seizure of Salt Revenue; Japanese occupation of Heilungkiang; Chinchow and proposed neutral zone; "Independence" movement in Manchuria; Shanghai hostilities. Peace agreement and preliminary report of Lytton Commission.

Chinese Government:
Position of the Kuomintang; Executive, Legislative, Judicial, Examination and Control Yuans; military organs; provincial, municipal and district governments; Provisional Constitution of the Political Tutelage Period; Revised Organic Law; personnel of State Council, legations and consulates, foreign advisers, staffs of customs, salt revenue administration, postal service.

Who's Who:
Including new luminaries in the Chinese political and other horizons, checked up, wherever possible, to May 1, 1932.

Education:
Comprehensive account of Government educational activities and institutions; damage suffered by hostilities.

Public Justice:
How it is organized and administered; survey of modern legislation; list of courts, prisons, etc.

Miscellaneous:
Foreign, diplomatic and consular services; passport regulations; insurance in 1931.

Appendices and Index

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The alleged secret agreement made between the Dalai Lama and the British authorities was also published, which allegedly included *inter alia* the following terms:

1. British Tibet should have the preference rights in Tibet, and British goods imported into or exported from Tibet, should be exempted from all taxes.

2. The British should have the right to open banking facilities in Tibet and to make loans to the Dalai Lama for securities.

3. The British should have the right to freely exploit the mineral resources of Tibet.

4. No Chinese troops should be allowed to be stationed in Tibet for thirty years to come.

5. If the Tibetans find themselves unable to resist the invasion of of the Chinese troops, the British should come to the aid of the Tibetans.

But the representative of the Dalai Lama in Nanking also complained to the Government about the "traitorous acts" of the Panchen Lama, reiterating how the Panchen Lama had secretly come into agreement with the British and led the British forces in to Lasa (Capital of Tibet), and further accused the Panchen Lama of having established illegal propaganda agencies in Szechuen and India for the purpose of disseminating news unfavorable to the Dalai Lama and of "playing off" betwen the Dalai Lama and the Central Government, etc.

Anglo-Tibetan Secret Agreement?

Another aspect of the present dispute between Sikong and Tibet is its connection with the reported secret agreement between the Tibetans and the British.

The Chinese newspaper *Dagun Bao* reports that a secret agreement has been concluded between the Dalai Lama of Tibet and the British Government according to which the British will take over the postal and air services in Tibet and receive a monopolist concession for the exploitation of the Tibetan coal resources. Great Britain, on the other hand, will give Tibet assistance in the organization and equipment of its army. A first delivery will consist of forty pieces of artillery together with large supplies of shells, two thousand field service rifles and two million rounds of ammunition. The Tibetan army is already fairly well equipped on modern lines, thanks to British assistance, and it is officered by men who have enjoyed university education in Great Britain.

A struggle is proceeding in Tibet between the English and the Chinese tendencies, and for the moment at least the English tendency would seem to be successful, as witness the attack on Chinese territory carried out by well-armed Tibetan troops.

Referring to this secret agreement, the Moscow *Pravda* writes:

"What has happened is not surprising. The general aims of British policy in Tibet have not changed since 1914. The Dalai Lama and the whole feudal-aristocratic clique which rules in Tibet are little more than puppets in the plans for the establishment of a "Greater Tibet." British imperialism hopes in this way to strengthen its influence over the western provinces of China and in particular over Sinkiang which lies directly on the Soviet frontier."

From other sources from Chungking (Szechuen), it was reported that the organization of the Tibetan troops is modeled after the British and that all the ammunition for the Tibetan troops comes from India, for they are marked "made in Bombay" (India). At one time the Chinese general reported that there were seven or eight British officials taking part in the battle directing the Tibetan troops. On another occasion, one battalion of Chinese forces was totally annihilated by the Tibetans, but the Chinese were very much surprised to find that the Tibetan troops instead of using primitive weapons all were equipped with modern arms. The military headquarters on the Sikong border once wired to the General headquarters in Szechuen expressing the fear that due to British instigation, Nepal would also attack the Chinese from other directions. At the time of negotiation, it was reported that the British had incited the Tibetans to demand from the Chinese the demarcation of, "boundary lines" between China and Tibet, meaning by this that Tibet would like nothing short of independence from China. There are many other reports of this kind which all tend to show that the British are really behind the Tibetan-Chinese complications.

The British are reported to have established camping stations for their troops in Kiang Tse (江孜) in Tibet, and up to now the British forces have not yet withdrawn from Kiang Tse. The reason why the Dalai Lama sent his personal representative to Nanking to express his loyality to the Central government, apparently was to seek help from the Central government to effect the withdrawal of the British forces from Kiang Tze.

Dalai Lama and Panchen Lama—Re-union Essential

At present both the Dalai Lama and the Panchen Lama have sent their respective personal representatives to reside in Nanking, and have established their respective "Tibet's Nanking Office," and have both expressed their loyalty to the Central Government. The Chinese-Tibetan relations are the most friendly in history! So it is now up to the Central Government to make use of the friendly tie and to take all possible steps to effect the reunion between the Dalai Lama and the Panchen Lama and to enable the Panchen Lama to return to Tibet to handle the affairs in Tibet jointly with the Dalai Lama. This is the only way to keep peace in Tibet and to continue the friendly relations with the Tibetans. But what has been done by the Central Government so far has been only to hold elaborate receptions, costing each time a sum no less than $20,000 from the Chinese exchequer, given in honor of the Panchen Lama or Tibetan representatives, regarding and treating them as if they were special envoys from foreign countries, not as the ordinary representatives from provinces. Aside from this, the Government has taken no other substantial steps, such as to develop the means of communication between Tibet and other parts of China; to improve the present system in use in Tibet, to settle the religious differences for the Tibetans; and lastly, to effect a reunion between the Dalai Lama and the Panchen Lama.

As far as the writer is aware, all these frontier people including the Mongolians, Tibetans and Chingkai people, once quite content with the Chinese authorities, have now been very anxious to come to the side of the Central Government. It is now up to the Government to protect them, to develop them, and to make them a true integral part of the Chinese Republic.

As to the alleged Anglo-Tibetan secret agreements, and British activities generally in Tibet, whether they are true or not, or are continuing or not, we are not in a position to say. On the one hand, it is argued that the British might have been no less aggressive than the Japanese in Manchuria in former days, but they certainly have been more friendly to the Chinese after the signing of the Nine-Power Agreement by which the signatories pledged to "respect the Chinese territorial and administrative integrity." From this aspect, it is therefore inferred that the British would not take such a step nowadays and what is reported to be the alleged "secret agreement" between the Tibetans and British was probably the one which the British concluded or sought to conclude with the Tibetans sometime before 1922. But on the other hand, it is also argued that owing to the rapid Russian expansion to central Asia, as witness the completion of the "Turk-Sib" railway, which runs parallel to Sinkiang or Chinese Turkestan—which must have caused a great alarm to British India, as the British interests in Tibet are not yet totally given up. Though the British are not so aggressive as before in Tibet, they are by no means adopting a hands-off policy in Tibetan affairs. Though the British might have ceased some of their political activities in Tibet, they do like to see any other foreign power stepping into Tibet. This probably explains the reason why the British forces are still stationed in Kiang Tse in Tibet.

But be it one or the other, it is the opinion of the writer that it is not advisable to let the Sino-British friendly relations become involved in the Tibet-Sikong dispute. What should be done is for the Central government to take all possible steps to make these frontier provinces, not troublesome to China, but faithful and obedient to China: not to regard them as a means to protect China proper, as was the conception of the frontier provinces in the Manchu regime, but to grant them full protection.

Nanking, July 17, 1932.

American Professor Studies Psychology of Central Asian Peoples

Professor Koffke, one of the foremost representatives of the school of structural psychology, recently arrived at Tashkent (Turkestan) from the United States to participate in the Soviet expedition that is undertaking a study of the psychology of the peoples of Central Asia.

The expedition after leaving Tashkent will proceed to Samarkand, where Professor Koffke will deliver a series of lectures before local scientific workers. Thereafter the activities of the expedition will be developed in the villages where research plans will be carried out.

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The Superfluity of the Supervisory Yuan

BY PAUL K. WHANG (汪仲芳)

OF late the Nanking government has been openly and covertly criticised by the public as to the corruption of its officials, the superfluity of its many officials, and its failure to deal efficiently with the national crisis; but no criticisms have been so puissant and poignant as those made by Kao Yu-dong in regard to the Supervisory Yuan, one of the five Yuans of the Kuomintang government. Being a member of the Supervisory Yuan himself, he is in a privileged position to learn the inside affairs of that important office, and therefore his criticisms can not be looked upon in the same light as those made aimlessly by the ordinary people. Because of his official position, his criticisms have gained wide publicity, and his name, hitherto unknown to the public, has been brought into prominence overnight. He minced no words in admitting the superfluity of the Supervisory Yuan and was very frank in deploring the present unhealthy state of affairs prevailing in the civil administration of different provinces. In making frank assertions by calling a spade a spade he revealed the bug under the chip and also departed from the accustomed ways of other officials who have been inclined to capitalize their questionable achievements to fool the public.

Many Impeachments but No Punishments

Mr. Kao told Chinese pressmen at Tsinan without hesitation that except Yu Yu-jen, the chief of the Supervisory Yuan, all the other high governmental officials including the heads of different Yuans and Ministries had been impeached, but not one single high mis-administrator, no matter how corrupt his official record was, had ever had meted out to him due punishment. He cited the example of Marshal Chang Hsueh-liang and stated that an impeachment had been instituted against him because of his non-resistance policy, but no punishment could reach his person when he was still in such a formidable position. Thus the superfluity of the Supervisory Yuan is obvious, when any official who has either an army under his command, or is fortunate enough to be the relative of some influential leaders, can practise corruption safely without any fear of suffering its consequence. We can cite two more instances to show how helpless the government is in dealing with corrupt officials. A year ago the Anhwei people sent many petitions to the Nanking government demanding the removal of their governor, General Chen Tiao-yuan, on the ground that the general disregarded the welfare of the people by enforcing the cultivation of poppies upon, and exacting heavy taxes from, the people, but the government presistently turned a deaf ear to the appeal. Again, General Ho Chien, the governor of Hunan, whose maladministration has plunged one of the richest provinces into communism and bled its people white, is still sitting safely on the governor's chair in spite of the agitations among the people for his ousting. They have been both impeached by the Supervisory Yuan for their malfeasance and nonfeasance, but they have been so far immune from the law, because they have soldiers under their command.

According to Mr. Kao, an impeachment has also been recently instituted against the navy, because of its reluctance to defend the country at the time of national crisis. He said, "During the Sino-Japanese hostilities at Shanghai, while the 19th Route Army put up an heroic resistance against the Japanese invaders, the Chinese navy stood on the sidelines to watch the fighting without giving a helping hand, and even refused to lend its anti-aircraft guns to the defenders when the latter were badly harassed by the bombers. Moreover, the marines, instead of quartering on the warships, have busily engaged themselves in cultivating poppies in Fukien and oppressed the people to enrich themselves. Therefore it is our conviction that the Chinese navy should be abolished and that all the warships should be sold to the merchants to be converted into mercantile vessels. China is now spending a huge sum every year to raise a navy, but she can not secure its service in the time of emergency. She will be much better off, if she can save this money and use it together with the proceeds realized from the disposal of old and obsolete warships to buy a fleet of 200 submarines, which will be adequate enough to defend our coast lines." The reluctance of the navy to risk its ships to participate in the Shanghai war has drawn strong criticisms from the public, and it is a consensus of opinion that the government should not waste any more money in up-keep of those old and obsolete warships which the naval officials have habitually used as transports of opium. This sentiment has been growing especially strong recently in view of the fact that one of the principals in the recent civil war in South China is a naval official. If the Chinese navy is raised not for the defence of the country but for participation in domestic strife, its abolition would be, therefore, more than welcomed. But in view of the ineffectiveness of the Supervisory Yuan, it is a natural conclusion that any impeachment against the navy, though instituted, will meet the same fate as those against the high government officials.

The Useless Chinese Navy

"For the last two years," Mr. Kao concluded, "thousands of impeachments have been made by the Supervisory Yuan, but they have been generally shelved and not acted upon. The civil administration of all provinces, except Shantung and to a lesser extent, Kiangsu and Chekiang, is featured with corruption and nepotism. The servants of high officials can aspire to the offices of city magistrate through their masters' influence, and the movie "stars" can secure government offices for their friends through recommendation to their intimate corrupt officials. Thus the government offices have been filled up with corrupt officials. Since every official is as bad and corrupt as the other, it is useless to single out any one for impeachment. Even though impeachments have been instituted against them, they are usually protected by their influential backers. Hence the Supervisory Yuan is a superfluous office." Thus the Supervisory Yuan, wherein the power of censorship including the power to impeach, has been vested, has been rendered useless, inasmuch as its impeachment can not produce any desirable result. Because of its inefficacy, corruption among the officials has been rampant and the civil administration has been in a deplorable state.

The Old System of Censorship Was Effective

It may be recalled that in bygone days China had the independent system of censorship and it was very effective. The imperial censors, of historiographers of the Manchu dynasty, and the official advisors of the T'ang dynasty, made a fine censoring system. Chinese history gives us many illustrious instances in which the imperial censors, often at the risk of losing their lives, exercised their power of impeachment against any corrupt officials irrespective of their influential positions. Thus in the imperial days, censors were generally respected by the people, and looked upon with terror by the corrupt officials. Dr. Sun, in his new political principle, formulated a quintuple-power constitution, by conferring upon the government the powers of civil service examination and censorship in addition to the usual three powers—legislative, executive, and judicial. In the Three Principles of the People, Dr. Sun said, "All government powers were formerly monopolized by kings and emperors, but after the revolution they were divided into three groups: thus the United States, after securing its independence, established a government with three coordinate departments, with splendid results. Other nations followed the example of the United States. But foreign governments have never exercised more than these three powers—legislative, executive, and judicial. What is the source of the two new features in our quintuple-power constitution? They come from old China. China long ago had the independent system of civil service examination and censorship. The power of censorship includes the power to impeach, which other governments have but which is placed in the legislative body and is not a separate governmental power." After the establishment of the Nanking government five separate departments have been instituted for five different powers, and they are generally known as "Yuans." To install a new political system and to practise it are entirely two different matters, and it does not follow that a good system must work out a good result. Thus Dr. Sun's new system might be sound in principle, but the political conditions are such that no good system can be carried out with success.

Mr. Kao's Frankness Is to Be Commended

Mr. Kao should be highly commended for his frankness in admitting the superfluity of the Supervisory Yuan, because nowadays we do not find many officials who have the nerve to make such frank assertions. In saying this, we do not mean that Mr. Kao and his colleagues of the Supervisory Yuan can be exonerated from the charge that they have failed to carry out their duty, although they have actually done all that they can. So long as they are membersof the Supervisory Yuan, they are vested with the power to hunt down the corrupt officials, failing which they themselves must be responsible. They may appeal to the public for moral suport by revealing their predicaments, but they can not disclaim their responsibility because of this anomalous political condition. In spite of the

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antagonism from all sides, they should stick to their guns and strive fearlessly to make their superfluous office effective. Otherwise to continue to serve in an office which they conscientiously know is a superfluous one will only betray the trust of the people and make the office holders more miserable in the eyes of the people. While we have every sympathy with Mr. Kao and his colleagues, we suggest that if they are impotent to use their high office to check the corruption of nepotism of civil administration, they should make room for those who can wield this power, or, as a last measure, let the government abolish this office altogether so that some money can be saved therefrom.

It is of interest to read the *Reuter* dispatch from Nanking dated July 13 stating that Admiral Chen Shao-kwan, Minister of the Navy, petitioned the Executive Yuan to punish Mr. Kao for his public suggestion of the abolition of the navy. Whether the Executive Yuan will act upon the Admiral's petition, remains to be seen. But this will serve us a test case to show whether the members of the Supervisory Yuan, who are invested with the power to impeach, can publicly criticize the military men with impunity, or whether they must keep their mouths shut in deference to the wishes of the military men.

Shanghai, July 18, 1932.

Conference of Intellectual Leaders Comes to an End

The conference at Nanking of intellectual leaders and experts who had been discussing questions relating to the country's foreign relations, civil administration, reconstruction, and education, came to an end July 13, after holding its last meeting on the question of educational funds. It is understood that the minutes of the conference will be submitted to the Central Political Council. While it is believed that important recommendations were made in the course of the conference, it was decided that the deliberations should be kept secret for the present. At the concluding session President Wang Ching-wei thanked the members for their labors and said that the Government would act upon their recommendations as far as feasible and expedient.

British Trade in Manchuria Not Discriminated Against, Says Sir John Simon

Sir John Simon, Secretary of State for Foreign Affairs, was asked by a Conservative member in the House of Commons July 13 whether he intends to communicate with the United States with a view to obtaining co-operation in the maintenance of the "Open Door" policy in Manchuria.

Sir John replied that he did not see any reason to take such a step inasmuch as there had been no information to show that British trade in Manchuria was being discriminated against. Furthermore, Sir John pointed out, the Japanese had given their assurance that the "Open Door" policy would be strictly maintained.

Chinese Girl Graduates from American College With Honors

Miss Soo-tsing Yu, a graduate of the McTyeire School, Shanghai, was graduated from Rockford (Illinois) College July 1. The subject of her treatise was the "Place of Education in the Reorganization of China." She received a bachelor's degree and will enter Smith College, Northampton, Mass., in the fall for graduate study. She has been awarded an attractive scholarship to study at that institution, a rather extraordinary thing in view of the fact that such scholarships are not supposed to be given to students of nationalities other than American.

National Central University Re-engages Professors

Sixty-two professors of the National Central University at Nanking have been re-engaged by the Authorities of the institution. The executive staff appointed by Acting President Tuan Hsi-peng has commenced to function. The appointments have been made in conformity with the reform measures adopted by the Executive Yuan upon the recommendation of the Special Reorganization Committee headed by Dr. Tsai Yuan-pei.

Little Progress Made Against "Reds" in Central China

The campaign for the suppression of communistic uprisings in Central China shows only slight progress, despite the fact that Gen. Chiang Kai-shek is at Hankow personally commanding the expeditionary troops. The Japanes telegrams are apparently correct in stating that no effective drive against the Communists has yet been attempted by the government expeditionary troops, which are merely concentrating at various strategic places and marking time.

The Commander-in-Chief's Headquarters of the Bandit-suppression forces at Hankow has announced the appointment of Messrs. Chang Nan-hsien, Chiu Ao, Peng Chieh-shih, Hsiao Hsuan, Hung Lu-tung, General Ho Chung-han and Chang Chun and Yang Yung-tai as members of the Party and Political Affairs Committee for the provinces of Honan, Hupeh and Anhwei.

General Chiang Kai-shek, addressing a group of 42 district magistrates of Hupeh recently, advised them to pay more attention to communications and reconstruction work, to organize militia corps and not to depend entirely upon the military forces. Should any military commanders indulge in highhanded acts, the district magistrates were advised to petition the Commander-in-Chief's Headquarters for the punishment of the military. Gen. Chiang further urged the magistrates to cooperate with the local gentries and encourage the people themselves to resist the bandits.

Repeated telegrams appealing for reinforcements have been sent to Hankow recently by the district magistrate of Macheng to General Chiang Kai-shek, General Ho Cheng-chun and General Hsia Tou-yin. In view of the shortage of foodstuffs, the magistrate has instructed the inhabitants to live on congee. Government troops have been rushed to Macheng; airplanes are reconnoitering over the area so as to keep the Government informed of developments.

General Chen Chi-tang, Commander of the Kwangtung Provincial Forces, has proceeded to Shiuchow from Canton to assume personal command of the bandit-suppression campaign along the Kiangsi-Kwangtung border.

Communists Converge on Kwangtung from Three Directions

The Communists are reported to be trying to invade Kwangtung from three directions. Namyung is the objective of the central column; Yanfa, the right wing; and Hopang, the left wing forces. General Chen Chi-tang, Commander of the Kwangtung Provincial Forces, has appointed General Li Han-hun, Commander of the 3rd Independent Division, General Teng Lung-kwang, vice-Commander of the Training Division, and General Hsieh-yo, Vice-Commander of the 4th Army, as Field-Commanders respectively of the center, left and right routes to meet the bandits.

Severe fighting occurred end of last week near Meilingkuan, a strategic pass on the Tayu Ranges between Tayu in Kiangsi, and Namyung, in Kwangtung. Although driven out of Namyung the "Red" bandits are making moves to recapture the city. They are concentrating their attack on the strategic pass, engaging two regiments of the 1st Kwangtung Division under General Li Chen-chiu in a fierce battle. The "Reds," taking advantage of the thin line of Government troops deployed over a wide front, have concentracted over 20,000 men near Nankang, southern Kiangsi, and have commenced an attack on various sectors in an attempt to sever contact between the various Government units.

Pursuant to an order of the Military Affairs Commission, the Ministry of the Navy is despatching deputies to Canton to take over the gunboats surrendered by Admiral Chen Tse, erstwhile Commander of the Kwangtung Naval Squadron, in accordance with the agreement reached with General Chen Chi-tang, Commander of the Kwangtung Provincial Forces.

Military despatches report the capture recently of Yingchien, the 'Red" rendezvous near Shangyu in southwestern Kiangsi, by the 15th (Hunan) Division under General Wang Tung-yuan. The Headquarters of the 3rd Red Army, the offices of the so-called Hunan and Kiangsi Provincial Governments, the radio school and the "Red" post office were reduced to ruins.

Mobilization orders for the 60th and 78th Divisions attached to the 19th Route Army were issued by General Tsai Ting-kai, Commander of the 19th Army, immediately upon his arrival at Changchow, July 16.

A circular telegram announcing the formal assumption of his concurrent post as Director of the Foochow Pacification Headquarters was issued by General Chiang Kwang-nai, Commander of the 19th Route Army, at Foochow July 16. In his message, General Chiang announced that he has asked for long leave from the Government so that he may recuperate from a chronic illness. In the meantime, General Tsai Ting-kai, will act on Chiang's behalf.

The Japanese telegrams continue to harp on the idea that the arrival of General Tsai Ting-kai in the Amoy area has given a good opportunity for anti-Japanese agitators in the locality, who are planning to launch a lively campaign afresh.

Minister Soong Holds Bandit Suppression Appropriation at a Million and a Half Per Month

T. V. Soong, Minister of Finance, shortly after his arrival in Hankow end of last week to consult Gen. Chiang Kai-shek in regard to the raising of funds for bandit suppression, stated that rigid economy and readjustment of the various national taxes would continue to form the keynote of the present financial policy of the National Government. Mr. Soong denied reports that the Government intended to expand the currency, citing the bad effect that such policy had when engaged in by the former Wu-Han regime and the Kwangtung authorities. He stated that the Ministry could not allocate more than a million-and-a-half dollars monthly for bandit suppression purposes though he quite realized that much more was necessary. He added that the Government intended to keep borrowings at a minimum.

Bandits at Harbin Try to Kidnap Russian Cattle Dealers

An attempt was made by Chinese bandits to kidnap two well-known cattle dealers, Messrs. Zagorsky and Zubitsky, at Harbin July 1. The two men were traveling in a car to the slaughter house when four Chinese, who were working in a field, threw down their instruments, drew revolvers, rushed up to the machine and forced the chauffeur to stop. Zagorsky and Zubitsky were pulled out of the car, bound and thrown on to a cart, which drove off towards Old Harbin. Fortunately for the captives the incident was witnessed by another Russian, who informed the police. As a result a detatchment of 20 policemen was sent to intercept the bandits. The captives were freed; the bandits escaped.

Hankow Customs Treats Fushun Coal in Ordinary Manner

The question of how the Maritime Customs would treat imports from Dairen and other Manchurian ports, in the face of present turmoil in the question of taking-over of Manchurian Customs by the Manchukuo Government, came up at Hankow July 8 when the first shipment of Fushun coal arrived there from Dairen on a Japanese steamer. A Japanese telegram says that the Hankow merchants were amazed when the Customs House in that city treated the coal in the ordinary manner and passed the cargo on a bill of lading that bore the seal of the Dairen Customs under the Manchukuo Government.

Water Conservancy Bureau to Succeed Flood Relief Commission

A proposal for the abolition of the National Flood Relief Commission and the establishment in its place of a Water Conservancy Bureau, to be under the direct jurisdiction of the National Economic Council, has been made by T. V. Soong, Minister of Finance and concurrently Chairman of the Commission. All work relating to the prevention of floods will hereafter be in charge of the new Bureau. Li Hsieh and Hsu Kai have been appointed Director and Vice-Director of the Bureau.

Payments of National Taxes in Japan Short by Yen 15,000,000

Fifteen million yen is overdue in the payment of Japan's national taxes which amount to approximately Yen 600,000,000 annually, a Tokyo telegram states. The revenue authorities, however, state they do not think it advisable to exact payment too strenuously from taxpayers in consideration of the present hard times. During 1931-1932 alone national tax revenues were approximately Yen 7,000,000 short of the total assessment, and this has brought up the total amount overdue to some Yen 15,000,000, including about Yen 8,000,000 previously in arrears.

Capt. Dollar's Will Provides for Home and Foreign Missions

The will of Capt. Robert Dollar was filed for probate in San Raphael, California, on June 20. The entire estate was listed as $68,000. Captain Dollar wrote the will in his own handwriting, stating that he had provided for his wife and three sons by the establishment of the Dollar Investment Co. Captain Dollar made the following bequests: Foreign Board of Missions, $50,000; Home Missions of Presbyterian Church, $30,000; San Francisco Presbyterian Orphanage, San Anselmo, $20,000 for the Grace Dollar Memorial; San Francisco Theological Seminary, San Anselmo, $10,000 for the Robert Dollar Chair. This brings the total for this chair to $80,000, with previous contributions.

Captain Dollar recommended that his widow make a similar bequest for the Margaret Dollar Chair, bringing the total for that chair also to $80,000.

Of the residue, one-fourth was given to the children of Grace Dollar Dickson, deceased. An annuity was given to two cousins, Helen Melville, now living in Angola, Portuguese West Africa, and Nellie Wilcocks, in Dumbartonshire, Scotland. The amount of each was $150 every six months, which he has been giving them for some time. Captain Dollar said in his will he already had given more than $1,000,000 for charitable purposes.

R. Stanley Dollar, the eldest surviving son, has filed a petition to be appointed executor.

Chinese Hat Manufacturers Warn Against Japanese Headwear

The Japanese press services announce that the anti-Japanese agitators in Shanghai have devised a new form of achieving success in their objectives. Apparently under duress of the anti-Japanese agitators, the local straw and felt hat manufacturers' guild recently issued a joint large-sized advertisement in the Chinese newspapers, indicating the 16 different trade marks of the hats manufactured at these factories. The advertisement, calling the attention of the local Tangpu, Provincial Government and others interested to the subject, pointed out that those who purchased Japanese-made hats under guise of a Chinese trade mark should be severely punished by the proper authorities as "traitors."

Anti-Japanese Agitator Was a Blackmailer

In connection with the incident in which an anti-Japanese boycott picket was executed by the Wuchang Garrison Headquarters early in June, the Hankow Tangpu circle has carried on agitation condemning the military authorities.

As the result of investigations, ordered by Gen. Chiang Kai-shek, it has been revealed (according to Japanese reports) that the executed picket was notorious for his blackmail and that he was captured while intimidating merchants with dangerous weapons.

Revised Regulations Governing Appointment of Magistrates

To ensure that competent men are appointed to the magistracies of the district (*hsien*) governments, the Legislative Yuan has adopted a set of revised regulations governing the appointment and qualifications of district magistrates. According to these regulations, candidates for appointment as District Magistrates must be over thirty years of age and possess proper qualifications. Provision is also made in the regulations that magistrates duly appointed by the Government may not be removed except in accordance with law before the expiry of their term of office, which is fixed at three years. The regulations also provide for the reward of district magistrates who shall have succeeded in completing the program of local autonomy within the period of political tutelage.

England Supplies Arms Both to China and Japan

A questioner in the House of Commons July 13 having asked for the export figures covering arms shipped to China and Japan during June, Major D. J. Colville, Secretary for the Department of Overseas Trade, said that export licenses in June had been granted for the export of 500 aircraft bombs for China. Licenses for exports to Japan for the same period covered 50 machineguns, 800,000 machine-gun cartridges, 200 time fuses and spare parts for anti-aircraft guns.

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JAPANESE FARMERS CRY OUT FOR RELIEF

(*Continued from page 276*)

yen, namely, something like 10 cents gold to one yen, instead of the theoretical parity of 49⅞. The project was, however, rejected, or—rather—postponed for the time being on the ground that its adoption, without the lifting of the gold embargo at the new parity, would be meaningless in so far the agricultural community is concerned, since—it is argued—the inflation in that case cannot be followed by an increase of purchasing power of the populace at large. At length it has been decided to continue the inflationary policy, discarding any attempt towards the reintroduction of the gold standard even at the new parity. Considering in what a perilous financial position the Government finds itself, it seems that there is no other way to follow but keeping on inflating the currency.

The community which has gained from the recent improvement of rice prices, due to the said inflationary policy, seems to be rich landowners and middlemen (rice dealers), holders of big stocks of rice. The situation in the northern part of the Main Island, particularly in Nagano Prefecture, is described to be especially alarming in view of the actual famine conditions obtaining there. Now the Government is being pressed to turn its rice holding, amounting to about 20,000,000 bushels, to the relief of the famine stricken areas. A plan is afoot to sell this rice to the sufferers at low prices, but it will unavoidably affect the rice prices in general, thus dispelling the expectations about the better times for the rural districts.

When speaking of the rice problem there is one side of it, namely, Japan annually imports about 40,000,000 and 11,000,000 bushels of rice from Korea and Formosa, respectively, and there is a plan afoot to restrict this importation so as to foster artificially the price of the home grown product. While the Government seems to be bent on adopting this plan the colonial authorities of Korea and Formosa are all up in arms about it, inasmuch as the greater part of their respective budgets is framed on the revenues derived from the rice trade. If the plan is accepted the colonial authorities will have to find other adequate sources of revenue which is rather doubtful. While all this bugaboo is going on the speculators and holders of rice are active in the hope that fostering of rice prices will benefit them first.

Raw Silk Situation

The predicament of the Japanese Government in its raw silk policy is far more interesting. As it was reported in the *Review* for April 30, the Government had contracted with the Asahi Silk Co. to sell its raw silk holding amounting to about 100,000 bales, the purchasing company acting in this deal as the agent of the Gerli Company of New York. But inasmuch as the price of raw silk in the world market has since declined below the contemplated limit, aggravating the prospects of the silk business is a whole, the Government has decided to cancel the contract entirely, buying the whole stock of raw silk on its own account. It should be stated in this connection that it has been the policy of the Government in these several years to artificially uphold the raw silk prices in domestic and foreign markets, for which purpose it had created the so-called Imperial Raw Silk Co., whose task has been the manipulation with the silk stocks. As a result of its failure to control the raw silk prices the company now finds itself a holder of an enormous stock amounting to 98,310 bales, the mere presence of which serves as a cancer to the industry. Thus the Government finds itself in the same soup as the American Farm Relief Board with its enormous stock of accumulated wheat.

Now, inasmuch as the present stock of the Imperial Raw Silk Co. has accumulated since 1929, it is obvious that the older holdings should be disposed of somehow to give way to the new crops of last and this years. Hence arises the urgent need for the speedy adjustment of the question. Having no ready cash for the purpose the Government is tapping again the ever enduring bond market by issuing special bonds for the purchase of raw silk. It is tentatively agreed that the Government will buy from the Imperial Raw Silk Co. its entire stock at a price not higher than Yen 455 per bale, for which purpose it is required to raise Yen 44,740,000. This sum is to be raised by a bond issue, redeemable within 55 years and bearing 5% interest per annum. The loss incurred by the Government at the time, when the first contract with the Asahi Silk Co. had been concluded, was calculated to be Yen 52,649,000, but this is much less than the real loss—only storage and insurance charges of the stock in question are believed to be around Yen 850,000 a year, not to speak of the interest to be paid in connection with the bond issue, all of which must be shouldered by the Treasury.

Still greater problems await the Government once it buys the silk in question. Selling it abroad, and firstly to the American market, is out of question, otherwise the Imperial Raw Silk Co. would have proceeded with the sale to the Gerli Co. A plan is offered that some outlet should be found at home, firstly by turning out shirts, blankets and flags. The Army and Navy officers are considering the possibility of adopting silk material as a component part of the men's uniforms. But this does not solve the question; it seems that there is no other way out than to destroy the accumulated old stock, in the manner done by the Brazilian merchants with their coffee, when they sunk it literally in the open sea.

Relief Measures

The relief of farmers, now constituting the most urgent social problem, requires enormous sacrifices on the part of the Government, the finances of which are already overtaxed by unprecedently high military expenditures in connection with the expeditions to Manchuria and Shanghai. As has been stated previously the total indebtedness of farmers comes up to 6,000,000,000 yen, of which 2,500,000,000 yen constitute the high rate individual loans. A moratorium on all the debts of farmers is considered to be out of question, for once it is declared it will certainly lead to the financial panics, since there are about 1,500 banks and credit establishments connected with the rural districts, which are surely be closed down. Instead of the moratorium the Government is inclined to the conversion of high interest loans into low interest ones, for which purpose it is required to raise about 1,000,000,000 yen. The press report has it that Finance Minister K. Takahashi, while considering this measure as being the only visible one under the present circumstances, finds himself absolutely unable to raise so much money without endangering the financial position of the Empire. The money can be raised either by floating new bonds or releasing the bonds already in possession of the Depository Bureau of the Finance Office, which, all told, is certain to affect adversely the country's money markets and financial position.

Since a considerable part of the farmers' indebtedness represents uncollected taxes, accumulated within these several years and since the peasants have no means to repay it at a short notice, the Government is already in difficulties in framing up its budget, meanwhile the glory of the Empire requires more and more funds. Other governments, when, confronted with such internal and external problems, as the Japanese is now, would have adopted a policy of strict retrenchment and proceeded forthwith with the cutting down of unproductive expenditures, such for example as military expeditions to alien lands.

Those who claim to represent the farming and labor circles of Japan say that the present crisis can be remedied by drastic social reforms, which would place the peasants first of all in possession of the land, that is to say, they claim that the institute of the tenant-farmers should be abolished. The Government, essentially feudal in structure and placed to perpetuate the present social order, is up against it, and, in order to divert the people's attention from the crying conditions at home, has launched its present adventure in Manchuria. Japan's social problems are,—so to speak—being solved at China's expense. "You have no land, no work, conditions are becoming worse, so you go to Manchuria where there is plenty of land and where fortune awaits you" are the words of Japanese capitalists and landowners to their suffering compatriots. The Japanese diplomats have to put this maxim into finer words to hoodwink the world, but the truth speaks for itself.

Dairen, July 1932.

Japanese Farmers Press For Prompt Relief Measures

Thirty-seven representatives of the farmers in Saitama prefecture, Japan, visited Tokyo last week and made a round of calls at the official residences of the Premier, the Minister of Agriculture and Forestry, the Home Minister

and the Finance Minister, and the headquarters of the Seiyukai and the Minseito to present their petitions. One delegate told the Chief Secretary of the Cabinet that the distress of farmers is beyond description. To seek their own salvation is out of the question. Seventy to eighty per cent. of town and village expenditure is on education. Unless all the local educational expenses are borne by the national treasury, the poverty-stricken towns and villages will have no alternative but to close down their primary schools.

Another delegate, who is a member of the Kumagai Town Assembly, explained their demands and wishes with much warmth and pathos. They are as follows:

1.—A moratorium for farmers and fishermen.
2.—A thorough administrative readjustment.
3.—Reduction of official salaries.
4.—Revision of the Pension Law.
5.—No pay for the Cabinet Ministers.
6.—Emergency taxation on companies which declare high rates of dividends.
7.—Reduction of the land tax.
8.—Payment of the entire salaries of primary school teachers out of the national treasury.
9.—State control of electric power.
10.—Adjustment of arable lands at the State's expense.

Belated News of a Korean Plot at Dairen

Details of what is alleged to have been a plot against the lives of Lord Lytton and his colleagues on the Manchurian Commission of Enquiry were published in Tokyo July 16.

It is stated that the Commissioners had a narrow escape from assassination late in May when they arrived at Dairen. In the words of a semi-official announcement their escape was due to the "timely discovery of an infernal plot by the Dairen police." It is declared that a ban was imposed on details of the plot, but with the lifting of the ban it is revealed that the would-be assassins were two Koreans, Saikoshoku and Ryushon by name. They are said to have been arrested two days before the scheduled arrival of the Commissioners in Dairen and to have been in possession of bombs similar to those used in the outrage at Hongkew Park on April 5 when Japan's leading civil, military and naval officials in China were injured by a bomb hurled by a Korean. The bombs were seized, it is stated, as were a few revolvers. The motive of the would-be assassins is said to have been to embarrass Japan.

The Japanese announcement alleged that the Korean plotters also intended to assassinate many highly placed Japanese officials at the same time.

(The part of the above story that is probably authentic is that which states that the Koreans intended to assassinate various Japanese officials; that part which relates to the Lytton Commission may be put down as so much "window dressing.—Ed. *C. W. R.*)

Japanese Marines to Stay on Duty at Cotton Mills in Chapei

The Japanese Naval Landing party in Shanghai has given notice to the Chinese authorities that it does not intend for the present to evacuate the marines which are stationed at the Toyoda and Kungdah cotton mills in Chapei, and that these marines will be kept there until the Japanese navy considers the time for their withdrawal opportune. A Japanese transport during the week brought 350 marines to replace those whose time had expired.

Navigation Bureaus to Be Reorganized

The various Navigation Bureaus under the Ministry of Communications are to be reorganized in accordance with the retrenchment policy of the Government. The bureaus at Shanghai, Hankow, Tientsin, Canton, and Harbin will take over all branch offices in their respective areas and will hereafter be called the Navigation Bureaus for the Kiangsu-Anhwei-Chekiang; Szechuan-Hupeh-Hunan-Kiangsi; Hopei-Shantung-Honan; Kwangtung-Kwangsi-Fukien; and Kirin-Heilungkiang Areas respectively.

Miners at Tsaochwang Go on Strike

The strike of miners at the Chunghsing Colliery in Tsaochwang, southern Shantung, is reported to be growing more serious. The strike began July 9. Starting originally with a portion of the 5,000 miners, the strike has now extended to the entire staff of the mines totalling no less than 10,000 persons. Most of the staff as well as some of the miners are adopting a "go slow" policy.

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Tense Situation on Soviet-Manchurian Border

(From the Review's Special Correspondent)

Changchun, July 12.

The relations between Manchukuo, i.e. between Japan and the Soviets, are getting more complicated; the points they disagree on gradually grow in number. Many Soviet citizens of Harbin arrested in April last are still kept in prison, without trial. The Manchukuo authorities insist on the return of rolling stock from Russia to the C. E. R. But the Soviets disregard their oral and written questions. On July 9 the police of Harbin assisted by Japanese military officers forced railway servants out of their offices at the wharves on the 8th section of the C.E.R. and seized the wharves. The Railway Administration gave orders to discontinue all traffic on the sidings linking the wharves to the trunk line, so that almost the whole business at the wharves stopped. Mr. Slavutsky, the Soviet consul-general to Harbin, send in a strong protest in writing to the representative of the Foreign Ministry of Manchukuo in Harbin. Mr. Suhihara on receiving the note of protest against the seizure of the wharves came here by airplane to confer with the Government and returned with instructions to answer in the negative, at least so it is reported. Reports from Manchuli state that Soviet outposts have drawn nearer the border, and that maneuvering of large bodies of Soviet troops on Russian territory near the border is visible every day from the town of Manchuli. In connection with the seizing of the Customs here a number of Russians, seemingly Soviet citizens, have been arrested and accused of spreading communistic propaganda in Manchuria.

It is reported that the War Office of the Staff of the Kwangtung Japanese Army will soon be transferred to Harbin. This is apparently frowned at by the Soviets. The motive given by the Japanese for transfer is that all the military operations now going on are in Kirin Province and that it is but natural that the operations are to be directed from Harbin, which has become the military base of the Japanese troops operating in North Manchuria. The Japanese are building a large airdrome in Harbin to give accommodation to hundreds of planes. This causes alarm to the Soviets too, for it is obvious that hundreds of airplanes at Harbin are by no means intended for fighting the Chinese, who have not a single airplane.

There are also minor frictions between the Soviets and the Manchukuo authorities, such as about dividing net proceeds of the C.E.R., about the banks in which the funds of the railway are to be kept, etc. At the present time all the unofficial negotiations that were conducted between the Soviets and the Manchukuo on the matter of opening consulates of the latter in the Far Eastern cities of the U. S. S. R. have been suspended for an indefinite time.

The Japanese troops at Harbin seem to be all the time on their guard against the Soviets. They gradually increase the number of their planes at the Harbin airdrome by bringing airplaines from Japan. They make continual scouting flights towards the Soviet-Manchurian borders. At nights strong search-lights project powerful beams of light in the skies over the city. The Japanese airplanes at Harbin, some of which are reported to be of French make, recently brought by Japan, are often engaged in sham fighting with one another over the city.

The Inside Story of Hengtaohotze

Hengtaohotze is a station on the eastern section of C.E.R., about 400 kilometres from Harbin. Before June 10 the policing was done by C. E. R. Police (Soviets) along the Railway zone and by a White Russian Corps along the west bank of a small rivulet beyond the Railway Zone. On June 12, however, either because the Whites had communication with the Japanese military authorities, frequently sending secret information regarding troop movements by the Chinese Self Defense Forces, or for some other reasons, at any rate the Railway Police suddenly decided to welcome the Chinese Self Defense soldiers into the town. When questioned by the Whites why it should be necessary to do so, the Railway Police said that they had no right to stop the Chinese soldiers coming in for the purpose of protecting their citizens in their own territory. Two days later, the Whites suddenly disarmed the Chinese self-defence soldiers at night when they were off their guard, this resulting in a great loss to the Chinese side. In order to prepare for eventual resistance against Chinese retaliation, the Whites immediately sent telegrams to the Japanese military authorities asking for urgent assistance. Consequently, two tanks arrived on the scene the next morning and opened fire for a few hours. In this situation, the Railway Police were in a very difficult position. But the Chinese soldiers realised that the Soviets did not intentionally play a trick upon them. Moreover, when the Chinese were disarmed, the Whites told them that their action was based on orders from the Japanese base. Thus matters went until July 5, whon the Chinese Self-Defence Forces sent five representatives to the Railway Police inquiring the reason for their special discrimination in favor of the Whites, and meanwhile investigating their attitude in case the Chinese soldiers attacked the Whites. The Railway Police later assured the representatives that the Soviets would never go to the west side of the rivulet, whereas the Whites would not be allowed to come to the east side, and that the Soviets would never do anything if the Chinese soldiers created no disturbance within the railway zone.

As a result of this conciliation, the Chinese Self-Defense Force rushed into the town the next morning and killed all the Whites and set fire to all their belongings.

The Japanese utilization of the Whites may be one of the sparks leading to a blazing fire in the whole Far East. The Harbin Customs Administration, for example, is now staffed with many Soviets in place of those who refused to report for duty under the Manchukuo authority. In various Japanese organs, a considerable number of "Whites" are employed. The Japanese soldiers are instructed to deal kindly with the White businessmen and the Whites in turn make every provision and facility for the convenience of the Japanese.

According to the Harbin press of July 9, a general search was carried out on July 8 in the quarters of the old Customs employees and as a result several senior clerks of Soviet nationality were arrested on the charge of having Communistic literature in their possession.

Chinese Radio Staff Protests Against I. T. and T. Contracts

Protesting against the secret conclusion of a series of contracts with the American Mackay (I. T. and T.), the management and Staff of the International Radio Station has submitted a petition to Gen. Huang Shao-hsiung, acting Minister of Communications, urging the immediate cancellation of the agreements. The petition states that according to reports emanating from both Chinese and foreign sources, the Ministry of Communications last month concluded three contracts with the American Company, relating respectively to the exchange of radiograms between China and America, the Sino-American Wireless Telephone exchange and the purchase of five sets of Wireless telephone apparatus. Both the motive for the conclusion of these contracts and the conditions attached thereto, the petition points out, will greatly affect the growth of China's international correspondence enterprises. Because of the complicated nature of the negotiations the Authorities are stated to have kept them secrect and even the Telegraph Administration Department of the Ministry denied all knowledge of them. After expressing great surprise at the secrect activities of the Authorities responsible for the matter, the petition points out in detail the evils that would result from the conclusion of such contracts with the American company. In particular, the petition emphasizes that the conclusion of these agreements would destroy the intergrity and autonomy of China's international communications and ruin the business of the International Radio Station. Another point brought out by the petition is that as a condition to the conclusion of the contract, the American Company promised to present to the Chinese Government a set of international wireless telephone apparatus, worth G.$500,000, but now after signing these agreements, the Company has revoked its word and is demanding payment for same. If this report is true, it would greatly damage the good name of the Ministry, the petition states. In conclusion, the petition urges Minister Huang to take immediate steps to make investigations as to the facts of the affair and that if the contracts have been signed, but not yet approved by the Executive Yuan, they should be forthwith cancelled.

Japan's Export Trade Improves

The Japanese Department of Finance has published the result of Japan's trade with China Proper, Kwantung Leased Territory and Hongkong, for the month of June last as follows: Exports, Yen 22,185,000; Imports, Yen 12,475,000. Excess of Exports, Yen 9,710,000.

Noulens Pair Taken to Drum Tower Hospital---End Hunger Strike

As the result of pleas put forward by Mrs. Sun Yat-sen, Dr. Tsai Yuan-pei, prominent Kuomintang leader, and Yang Chien, the Nanking High Court granted bail to the two unrecognized Belgian Communist agitators, Mr. and Mrs. Paul Noulens, July 17. The pair had in the meantime listened to pleas put forward by sympathizers to end their hunger strike and they left the detention house the same evening under escort. A little after 9 o'clock they entered the Drum Tower hospital where separate rooms had been prepared for them. They are remaining there for medical treatment. When the Noulens couple left the detention house Mrs. Sun Yat-sen sent a special motor car in which they drove to the house in the Sun Yat-sen memorial park where she is staying. En route the Noulens were accompanied by armed guards while the roads leading from the court to the park were heavily patrolled by military police. After spending an hour in the park Mr. and Mrs. Noulens proceeded to the hospital.

The Ministry of Justice, after having received a number of telegrams from various organizations in Berlin demanding the immediate and unconditional release of the Noulens, alleging cruel treatment of the prisoners and unlawful procedure, issued a statement emphatically refuting such attacks on the Chinese Judiciary which it averred could not but be based upon mis-representation of facts, ignorance of Chinese law, and unwholesome motives. The Ministry asserted that the prisoners from the very beginning were treated in every humane way possible, but they had resorted to a hunger strike as a means of intimidation to obtain the granting of certain demands not permissible under Chinese law.

In a ruling rendered July 18, the Supreme Court formally rejected the application made by Mr. and Mrs. Noulens for the transfer of jurisdiction to the 2nd Branch Kiangsu High Court at Shanghai.

The Executive Yuan issued instructions July 15 to Dr. Lo Wen-kan and Dr. F. T. Cheng, urging them to withdraw their resignations respectively as Minister and Political Vice-Minister of Judicial Administration. Interviewed, Vice-Minister Cheng pointed out that the purpose of their resignation was solely to uphold the rule of law, and that it was not due to any political reasons. The resignations were incidental to the handling of the Noulens case. They have since withdrawn their resignations.

A radio message sent out from Juichin, the stronghold of the Communists in Kiangsi, was received in Shanghai during the week making an offer to release all foreign missionaries held by Communists in exchange for the liberation of the Noulens couple by the National government.

Contributor to London "Times" Discusses Reconstruction of China

In a letter to the *London Times* July 12, P. C. Young pleads the necessity of an early start in the reconstruction of China, which "will be the work of decades rather than years." He contends firstly that during the transition period, a firm and effective Government is required in Manchuria where the present unsolved question constitutes a menace to the peace of the world.

At the same time, Mr. Young argues, a separate, special treatment of Shanghai and other foreign concessions essential toward giving the assurance of a liberal, effective and enlightened government, not only on account of foreign interests but because those regions form the basis of China's industrial and commercial life, is the only safeguard against the complete collapse of governmental authority. He contends that Sir Austin Chamberlan's pronouncement regarding early retrocession is seriously discouraging to this enterprise.

Formosan Financier Makes Tour of Manchuria

Ko Kin, a financial magnate of Formosa, is at present on a tour of Manchuria with the object of promoting better trade relations between Formosa and Manchuria.

According to Mr. Ko, when interviewed in Japan on his way to Manchuria, Hsieh Chieh-shih, Foreign Minister of Manchukuo, was born at Shinchukuo, Formosa, and is intimate with Rin Yu-sho and Rin Yu-ki, who are the most prominent business magnates of Formosa. The two Mr. Rins are prepared to give all possible aid, financially and otherwise, to Mr. Hsieh. Mr. Ko is particularly interested in finding to an outlet for Formosa fruits and vegetables in Manchuria and to import Manchurian bean cake and bean oil on a large scale.

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Men and Events

The death took place last week in Macao of Col. Jaime Pinto de Amaral, Chief of the Health Department in that city, at the age of 53.

In view of the difficult situation in Japan, politically and otherwise, the Emperor and Empress have cancelled their summer vacations.

General Tsai Ting-kai, Commander of the 19th Route Army is now at Amoy, and has assumed active charge of the anti-Red campaign in Fukien.

Toshihiko Sakai, one of the oldest leaders in the social movement in Japan, and who toward the end of last year had a stroke of apoplexy, has been declared insane.

The death occurred in Shanghai July 15 of Dr. Gee-mai King, a well-known Chinese scholar. Dr. King was 42 years of age and a Ph. D. of Keil University, Germany.

A Douglass plane, belonging to 1st Aviation Squadron, was smashed as it fell to the ground after taking off from the landing-field at Pengpu July 13. Two persons were killed and 17 injured.

The death occurred in Shanghai July 15, at the age of 70, of Yeh Wei-chun, chairman of the Shanghai Rice Guild, and a director of the Greater Shanghai Chinese General Chamber of Commerce.

Dr. H. H. Kung, former Minister of Industries, who has been appointed High Industrial Commissioner to Europe and America, proceeded to Nanking end of last week to receive his credentials.

The death occurred at Horsham, Penna., on June 5 of Rev. Joseph Cosand. He was 81 years of age. Dr. Cosand spent 35 years in mission work in Japan, the first 15 years with the Friends' Mission, 1885-1900.

The Asia-Europe connective international train which left Harbin at 3 p.m. July 14 was attacked by several hundred bandits at about 2 o'clock on the morning of July 15 when the train approached the Hsingan Mountains.

"The Spirit of Shanghai" is the name to be given to a bombing aeroplane, for the purchase of which the local Chinese public organisations headed by the Federation of National Salvation Associations have launched a campaign for funds.

Vice Admiral Sakonji, Commander-in-Chief of the Japanese Third Naval Fleet at present in Shanghai accompanied by his staff, on July 16 made a round of inspection of Chapei, the scene of the recent Sino-Japanese fighting.

Frazier Hunt, assistant editor of Hearst's *Cosmopolitan* magazine and the National Broadcasting Corporation, arrived in Shanghai on Tuesday of this week. He is accompanied by Mrs. Hunt and their son and they are staying at the Cathay hotel.

Chu Ching-lan, who is alleged to have been sent to Canton by the National League to Stop Civil War, is believed by the Japanese to have gone south for the purpose of collecting money to aid the North-Eastern Volunteer Army. Mr. Chu is at present in Canton.

An armored car, donated by the people in Niigata Prefecture, arrived in Shanghai July 19 from Japan on board a naval transport. A special mixed corps of the Japanese Naval Landing Party in Shanghai took possession of the car at the O.S.K. wharf on its arrival.

The death occurred in Shanghai at the age of 70 on July 15, of Robert Maitland. He is survived by his widow, Mrs. Mary Lowe Maitland and sons Charles, Alfred, Robert, Arthur, and Albert Maitland, and two daughters, one being Miss Nellie Maitland and the other Mrs. G. O. Haviland of Sacramento, California.

W. S. Leonard, who represented various American manufacturers in the Far East for several years, has written friends in Shanghai that he does not intend to return to China. Mr. Leonard is now general manager of a large real estate and development company at Interlaken, N. Y., dealing in land in the Finger-Lakes and western New York areas.

N. Gist Gee, formerly professor of biology at Soochow University and later adviser in natural sciences to the Rockefeller Foundation, departed from Peiping end of last week for the United States. Mr. Gee, who has spent 31 years in China, has accepted an invitation of the board of trustees of Yenching University to represent that institution in the United States.

The resignation of Wang I-shan from his post as member of the Shensi Provincial Government, has been officially accepted by the National Government.

Allen Albert, representative for the "Century of Progress International Exposition" to be held in Chicago, next year, arrived in Shanghai during the week.

Mr. Shigemitsu, Japanese Minister to China, who has been recuperating at the Fukuoka Imperial Hospital in Japan, has in the meantime proceeded to the Beppu Hot Springs for further treatment.

The *Tass* news agency states that the second powerful blast furnace at the Kuznotsk metallurgical plant, with a capacity of 826 cubic meters, has commenced operations. This furnace, together with the first which started working on April 1, will produce at full capacity 1,800 tons of cast iron daily.

Dr. Willard G. Bleyer, director of the School of Journalism of the University of Wisconsin, has been granted leave of absence by the University in order to do research work in journalism in the Far East during the coming autumn and winter. He will be accompanied on the trip by Mrs. Bleyer.

The Dollar liner *President Jackson* on its current trip from the United States carried 20 Japanese and 146 Chinese who had been discovered by the American authorities, during recent investigations as to unemployment, to have been smuggled into the country. They were thereupon ordered to the deported.

T. V. Soong, Minister of Finance, accompanied by General Ho Ying-chin, Minister of War, made a trip to Hankow by airplane end of last week where they conferred with General Chiang Kai-shek, President of the Military Affairs Commission, concerning funds for the bandit-suppression campaign in central China.

Julean Arnold, U. S. commercial attache, celebrated his 56th birthday and the 30th anniversary of his service as a U. S. government employee, by a dinner given at his residence No. 10 Wenling Road, Shanghai, July 19. About three score guests, including many prominent foreign and Chinese business men and officials, were present.

The Ministry of Communications of the Manchukuo Government proclaimed under date of July 11 that the it would issue new postage stamps and post cards to be circulated beginning August 1. Five different kinds of post cards and 18 kinds of postage stamps are to be issued. The regulation Chinese post cards and stamps will be permitted to be circulated until August 31.

Lord Lytton, head of the League Enquiry Commission, was so ill when the *Chichibu Maru*, on which he travelled from Japan, arrived at Tsingtao July 19, that he had to be carried ashore on a stretcher. He was taken by train to Tsinanfu where he boarded one of Marshal Chiang Hsueh-liang's planes for Peiping, where he was scheduled to enter the P.U.M.C. hospital for treatment.

A *Tass* telegram from Moscow states that the State Lumber Trust is working on a plan to build a huge celluloid and paper plant in the city of Abakan, West Siberia. The capacity of the plant will be from 40,000 to 50,000 tons of writing and printing paper annually. The trust will use its own raw material taken from the forests in the districts above the Yenesei River.

Thomas F. Millard, adviser to the Chinese Government, was scheduled to sail from Shanghai on the *President Hoover* on July 22, enroute to the U. S. A. Mr. Millard expects to attend the sessions of the International Institute of Politics at Williamstown, Mass., in August, and then will go to Geneva to be present when the China-Japan questions are brought before the League of Nations.

Chang Chang-sen, 27-years of age, a native of Pootung was executed on July 19, following conviction for participating in an armed attack on a launch belonging to the Whangpoo Conservaneh Board, the incident occurring on May 30, 1930, and resulting in two foreigners and a Chinese being killed. Two other Chinese who particpated in the attack had been convicted and executed previously. The motive of the attack was robbery of the Conservancy Board's payroll.

An investigation is being conducted by the Ministry of War to ascertain whether any munitions depots belonging to the various army units are located within the city of Nanking. According to an order issued by General Ho Ying-chin, Minister of War, all such depots must be removed to isolated places immediately in order to prevent a repetition of the recent tragedy when the depot containing munitions of the 1st Route Army under General Chen Tiao-yuan outside the West Water Gate exploded with disastrous results.

Who's Who in China

Weng Chao-yuan, commander of 156th Brigade of 78th Division of the 19th Route Army, who won fame in his heroic defense of Woosung during the Sino-Japanese Hostilities in Shanghai last Spring; born at Huailai, Kwangtung, 1893; after graduating from the Canton Military Officers' Training Institution, he joined the Kwangtung Provincial Army and successively served as company commander, (1916), regimental commander, (1923), etc; went to Japan in 1925 and studied at the Military Officers' College, Tokyo, graduating in 1929; later, he proceeded to France and studied aviation at the School of Morane, Villacoble, Paris; upon returning to China, he re-joined the army service and was given an appointment as commander of the 4th regiment of the Kwangtung Provincial Force; later transferred as commander of the 4th Regiment of the 2nd Division of the Central Government Force; upon formation of the 19th Route Army, he was promoted Commander of the 156th Brigade of the 78th Division of the Army; when the 19th Route was transferred to Kiangsu for garrison duty along the Shanghai-Nanking Railway Line in the Winter of 1931, his Brigade was assigned to garrison the Chapei and Kiangwan area in Shanghai; upon the outbreak of the Shanghai War in Jan. 28, last, it was the 6th regiment of his Brigade who fought against the Japanese and repulsed the initial Japanese attacks on Chapei; later, his Brigade was transferred to Woosung where he fought severe battles with the Japanese and held the enemy in check for four weeks, winning fame as "Hero of Woosung Defense;" with the conclusion of the War at Shanghai, his Brigade was transferred to Fukien and is now stationed at Amoy, July, 1932.

翁照垣
Weng Chao-yuan

翁照垣，廣東惠來縣人，年三十九歲，畢業于廣州軍官訓鍊所後，卽加入廣東省省防軍充下級幹部，歷任營長，團長等職，一九二五年赴日入士官學校，一九二九年畢業，旋赴法國留學研究航空學，回國後重入廣東省省防軍，任省軍第四團團長，旋調任中央軍第二師第四團團長，十九路成立後升任七十八師一五六旅旅長，去冬十九路軍調防江蘇警備京滬路線，一五六旅駐防上海，擔任閘北及江灣之警備，今春一二八日滬案發生，一五六旅第六團駐防閘北，首當其衝，抵禦日軍，敵遂不得逞，繼滬案擴大，該旅調守吳淞陣地，血戰逾月，強頑抵抗，卒使日軍不得越雷池一步，頗著功績，極爲滬人所推崇，自十九路軍移防福建後，該旅現駐防廈門.

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New Books of Interest in the Far East

British Policy in China

The Capital Question of China, by Lionel Curtis; published by MacMillan and Co., London.

There are, speaking generally, two schools of British thought in regard to China. One is represented here by H. G. W. Woodhead, C. B. E., who frankly regards the Chinese as an inferior race which must be constantly and forcefully supervised by strong and superior foreigners, preferably British although if the British ignore their duty lesser breeds, like the Japanese, must be supported in the task of domination. The other school is locally represented by the *North China Daily News* under its present editorship. *The N.C.D.N.* "has faith in the future of China" but the present must be under foreign supervision, preferably, of course, British. Force, however, is to be avoided as much as possible and instead cooperation should be sought with such Chinese as can be induced to become glorified compradores to administer the land for Imperialism, Ltd. In the interests of such cooperation the racial superiority stuff should be *sotto voce*, if at all, and such crude and old-fashioned tactics as attempts at outright annexation should be avoided.

The difference can be admirably illustrated by a question now at issue. Mr. Woodhead, although he has never publicly said so, undeniably favors the creation of a Free City status for Shanghai whereby even the shadow of Chinese sovereignty would be eliminated, but the *N.C.D.N.* is content to sponsor the Feetham Report, with perhaps such added features as the demilitarization of the area around Shanghai, whereby foreigners actually continue in full power and the compradores also have an assured place in the sun and the bliss that comes from thinking they are paving the way for native government in some Never Land of the nebulous future.

Mr. Curtis, of All Souls College, Oxford, author of the book under review, belongs to the *N.C.D.N.* school of thought although he may differ in details with the policy of that worthy organ of His Majesty. The Chinese, says Mr. Curtis, are fine people and beyond doubt have a great future, but the present they must be not only content but happy to accept foreign cooperation (*i.e.* domination) in the government of China.

"Do we or do we not believe," he asks, "that China can be helped to govern herself? If we do believe it, is it really in the interest of China to abolish the Settlements in which some leading Chinese are learning by actual practice what the rule of law and self-government means?"

Mr. Curtis' chief thesis is that the British must get down to facts in China, the Feetham Report being cited as "a real contribution to that end." England should send as a minister to China some outstanding servant of the Empire "like Durham, Cromer, Milner, or Irwin" who could and would win Chinese assent to foreign cooperation and also who would make regular and detailed reports—like the Feetham Report—on the situation in China, such reports being designed to "convince not merely the Secretary of State and the Cabinet, but Parliament also and the public opinion it represents."

What is the matter with Sir Miles Lampson, Mr. Curtis does not say, but he evidently is of the opinion that British diplomacy in China has often left a lot to be desired even from the British viewpoint. And in support of this thesis he makes many entirely sound observations.

"From the outset," he says, "the British Legation has been out of touch with the merchant communities of the Yangtsze, especially Shanghai, where the trade between China and the rest of the world mainly centers. In Peking there was everything to attract the professional diplomat, and much to repel him in a place like Shanghai."

He also points out that the leading British officials in China have had their training in Peking where "their environment was such as disposed them rather to view China through the medium of her past than to study the factors which were breaking the links with that past and reducing her whole life to confusion....factors that are mainly operative in the Yangtsze Valley."

Wherefore, Mr. Curtis concludes that the foreign legations should be at the seat of the recognized Chinese government. In view of recent peripatetic tendencies of that government, there are, of course, difficulties in this connection, but Shanghai—which Mr. Curtis correctly describes as "financial anchorage of the government at Nanking"—would be more logical than Peiping.

To work up to his thesis Mr. Curtis essays a brief survey of Chinese history which, while marred by several glaring errors, is not without considerable merit. He, of course, makes all the customary British charges against the Soviet Union during its period of alliance with the Kuomintang and adds one or two of his own, which, however, appear to be due to ignorance rather than malice. For instance, he says that in Shanghai on February 22, 1927, "the French Settlement (*sic*) was shelled by Chinese gunboats under Communist influence." As a matter of fact the incident was due to nothing more than poor aim on the part of some gunners who were really trying to hit the Kiangnan Arsenal and who, further, were merely indulging in an old fashioned revolt that had little, if anything, to do with the communist elements in the civil war.

Mr. Curtis has also swallowed a lot of Japanese propaganda in connection with Manchuria, repeating the exaggerated claim that the Nipponese were mainly responsible for the relative peace that area enjoyed prior to September 18, 1931. However, his own record shows the bold, bad Bolsheviks were fully as responsible in this connection as the Japanese for he cites that Chang Tso-lin arrested the manager of the Chinese Eastern Railway for refusing to allow use of the line in a civil war. Mr. Curtis also accepts all of the Japanese version that the Shanghai warfare started merely because Chinese troops resisted the effort of the Japanese to station marines for the protection of their nationals.

Sometimes Mr. Curtis chooses incidents to illustrate his theme that from his viewpoint could not be described as happy. In pointing out somewhat dispargingly the Celestial conception of justice as communal rather than individual he cites that in 1784 a British ship in Canton fired a salute which accidentally killed a Chinese, whereupon "the supercargo was arrested, and in order to save him the Company surrendered a gunner, who was strangled."

To this reviewer, at least, it seems difficult to make an invidious distinction between a concept of justice that is communal and a concept of justice in which an innocent but socially inferior gunner is sacrificed to save the life of a supercargo. In fact an excellent case could be made to show that communal justice is superior to class justice.

In another place, Mr. Curtis recounts that "the British officer commanding the Yangtsze flotilla is entitled 'The Admiral of the Yangtsze,' " adding that "citizens of a western country can realize the significance of this title by thinking how they would feel if a foreign admiral and fleet had come as a matter of routine to be named after their principal river."

All of which is quite true, but Mr. Curtis apparently does not fully appreciate that such a situation must inevitably exist as long as the kind of Sino-foreign cooperation he desires is continued. W. B.

Shanghai July 4,1932.

Contributor to "Anti-Imperialist Review" Criticizes Kuomintang

The *Anti-Imperialist Review*, which is edited and published by the International Secretariat of the League against Imperialiam, No. 13 Hedmann street, Berlin, in its current number publishes an article by "Yobe" on "How the Kuomintang Sold China to Imperialism." The trend of the 'Left' author's argument is that during many months the Kuomintang government did everything in its power to destroy the revolutionary and anti-imperialist movement at its root and that the shooting of workers in Shanghai in April, 1927, was the first step in a long series of most cruel reprisals against the workers' movement against every organization that stood for the continuation of the Chinese revolution and the driving out of the imperialists. The author argues that it is obvious that a country with a government which is anxious to serve foreign imperialists becomes weak and helpless. Another article of much interest in the same issue is by "Cepeda" on the crisis in India.

Japanese Propaganda Article Republished in Pamphlet Form

Articles written by George Bronson Rea and printed in the *Far Eastern Review* under the titles of "Debunking the Open Door Policy" and "Back to First Principles," have been reprinted in pamphlet form with the title "What Americans Don't Know about the Open Door" and are being distributed by T. Funatsu, Chairman of the Japan Association in China, P.O.Box 455, Shanghai.

New Fortnightly Journal Started by Chinese in Shanghai

The *China Voice* is the name of a new fortnightly journal established in Shanghai, by a group of prominent Chinese. Chaucer H. Wu is chief editor and publisher. The initial number covers a wide range of subjects, T.L. Wang contributes an article on Sino-Soviet Rapprochement. Ho Tsiang-chun discusses the Humiliation of Foreign Journalists in Manchuria.

British Chamber Denounced by District Citizens Federation

Members of the Shanghai Special District Citizens' Federaton held a meeting in the Greater Shanghai Chinese General Chamber of Commerce July 16 and, apart from passing a series of regulations in connection with the dispute over the house rent reduction and remission question, decided to voice their strong denunciation of the British Chamber of Commerce for having broached the proposal to call a Round-Table Conference to settle the Shanghai situation. It was also decided to oppose the proposed conference.

Other resolutions passed included the following:—

That the draft agreement for the restoration of the extra-Settlement roads, which violates China's sovereign rights, be opposed;

That a telegram be despatched to the Central Government demanding that the scheme to establish an opium monopoly should be definitely rejected;

That the severance of economic relations with Japan be maintained to the end; and

That the National Government be requested to send troops to Manchuria to punish the bogus "Manchukuo" government and to recover China's lost territory.

Exhibition of Japanese Goods in Harbin

An exhibition of Japanese goods produced at factories in the Tokio industrial district was held last week at the Japanese Commercial Museum in Harbin. Over 200 merchants of different nationalities visited the exhibition. The Japanese merchants who arranged the exhibition are of the opinion that it was a success and that such exhibitions kindle interest in buyers and thereby assist to a large extent in the sale of goods. A group of Japanese manufacturers are reported to have made a plan for organizing permanent exhibitions of all possible kinds of Japanese goods in all the large centres of Manchuria.

An exhibition similar to that held in Harbin was recently held in Mukden, to which many merchants of different towns of Manchuria were invited. At this exhibition Harbin was represented by 24 merchants.

Name of University at Tsingtao Is Changed

A decision to change the name of the National Tsingtao University to National Shantung University was reached at the first meeting of the Re-organization Committee for the University held at Tsinan July 5. Dr. Chiang Mon-lin, Chairman of the Committee, presided.

It was also decided that the Colleges of Arts and Science be amalgamated and the College of Education abolished. A Department of Education will be created within the College of Arts and Sciences, which will remain in Tsingtao. Two new colleges are to be created, one for Agriculture and the other for Engineering. These are to be located at Tsinan.

Department of State and Department of Commerce Coordinate Activities

A revised agreement of coordination to effect unity in the activities of consular officers of the U.S. Department of State and representatives of the U.S. Department of Commerce in the promotion of American foreign trade abroad was signed by representatives of the Departments concerned at Washington on May 10, 1932, and instructions placing this agreement in effect in 37 countries, including China, have been issued by the Department of State to its consular officers. This step represents the successful termination of an experiment that was inauguarated in Great Britain and Northern Ireland over two years ago.

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Shanghai's Standing Russian White Army Not to Be Increased for the Present

The miniature White Russian Army maintained by the Shanghai Municipal Council formed a topic of discussion at a recent meeting of the Council, the subject having been brought up by a recommendation from Col. N. W. B. B. Thoms, Corps Commandant. Col. Thoms recalled that as a temporary measure he had been authorized for the duration of the period of Emergency to increase the numbers of the Russian Detachments (which is the official name of the local Russian White "army)" to 405, the authorized peace establishment being 250. Col. Thoms now recommended that the Russian Companies be increased from two to three, with a grand total of 353. He stated that his recommendation, if approved, would involve an additional estimated cost of Tls. 50,000 this year, which he suggested it would be fair to charge to the State of Emergency, and Tls. 100,000 per annum extra for each succeeding year—or a total of approximately Tls. 340,000 per annum for the whole Russian Detachment.

The Acting Treasurer and Controller observed that the expenditure involved in the permanent maintenance of the additional 103 members of the Russian Detachment did not appear to be justified. The Council did not, for the present, approve of Col. Thom's proposal, but members of the Council are recorded as saying that in the interests of the future defence of the Settlement an increase in the existing strength of the Russian Detachment merited the Council's earnest consideration and the hope was expressed that some means might be found to finance a proportion of the increase recommended by the Commandant.

The Council also deferred action on a recommendation made by Brigadier Fleming that the Light Battery should be rearmed with trench mortars. One of the difficulties cited in connection with the proposed change was that ammunition for trench mortars would only keep for three years. Enquiries are being made from the British War Office as to whether it was possible to obtain unfilled shells which could be filled on mobilization and thus avoid waste. It was stated that the existing light guns were worn out and their replacement would be necessary next year.

In view of the difficulties encountered in connection with the enrollment of large numbers of untrained and unequipped men following the declaration of the recent State of Emergency, the Commandant submitted to the Watch Committee proposals for stimulating recruiting of serving Volunteers and by enrolling as reservists men with military experience, either in foreign military forces or in Volunteers, who would be willing to serve on mobilization either with existing Units or in special Reserve Units which he recommended be created. It was noted that by adoption of this proposal the peace establishment would number 1,894 and that the war establishment would total 2,265, the latter figure being based on the requirements of the sector which was held by the Corps during an emergency. The Commandant stated that he did not anticipate difficulty in securing recruits, to bring the peace and war establishments up to the proposed strength. With regard to the two proposed new units, the American Machine Gun Company and the American Reserve Company, he stated that the American Government had offered to provide equipment for these Companies.

With the exception of the proposals relative to an increase in the strength of the Russian Company, the Commandant's recommendation regarding the revised peace and war establishments of the Corps was endorsed.

Manchukuo Government Makes Oil and Iron Mines State Property

The Manchukuo Government, according to a recent message from Changchun, has now tentatively fixed its fundamental policy for the mining industry. It is going to admit both national and private enterprise and make its policy fiexible in every respect.

The Manchukuo Government recentiy issued an order to commerce and industry bureaus in all the provinces. The order is of a transitional nature, but it is intimated that it will eventually prove the basic policy of the mining industry.

1.—Ores, petroleum and iron which are vital for national defense and for the security of State finance, shall be made national enterprises.

2.—Alluvial gold and other metals for which heavy capital is needed shall be made private enterprises except those specified by the Government.

3.—Coal and other necessities shall be either national or private enterprises, but restriction of production, the market price and marketing territory shall be fixed by the Government.

Chinese Internal Revenue Taxes Are Consolidated

The merging of the Consolidated Tax Administration and that of the Stamp Tax and Wine and Rolled Tobacco Taxes under the Ministry of Finance into a new organ to be known as the Internal Revenue Administration was decided upon at the last meeting of the Executive Yuan pursuant to a recommendation from T. V. Soong, Minister of Finance.

Hsieh Chie, the present Director-General of the Consolidated Tax Administration, will be made Director-General of the new Administration. It is understood that the reform had been adopted in order to simplify the organization of the Ministry as well as to unify the control over internal revenue organs.

Kiangsi Ordered Not to Impose Surtax

The Ministry of Finance has dispatched an urgent telegram to the Kiangsi Provincial Government calling for the immediate abolition of a new tax, known as "Special Commodities Bandit-suppression and Rehabilitation Surtax," which the Provincial Government is reported to have instituted recently.

The telegram quotes a petition from the Shun Hsin Cotton Mill at Kiukiang, which alleges that the Kiangsi Provincial Government has instituted a special surtax on factory-manufactured goods for the avowed purpose of carrying out bandit-suppression and rehabilitation of devastated areas. Cotton goods which have already paid the Consolidated tax are also subject to the new surtax.

The Finance Ministry points out that according to the Government regulations, goods having paid the consolidated tax may be distributed throughout the country without being liable to any new tax. The special surtax imposed by the Kiangsi Provincial Government is therefore in contravention of law and must be immediately abolished, the Ministry states.

A petition has been submitted to the Central Government for abolition of the special tax on porcelain products levied in Kiangsi province, the center of the country's porcelain industry.

The petition was submitted by a delegation representing porcelain dealers throughout the country to the Executive Yuan and the Ministry of Industry. The deputation contends that as the levy is merely a substitute for likin, it is illegal and should therefore be abolished. Moreover, since the imposition of this special tax by the Kiangsi provincial authorities, the porcelain trade has suffered grievously. In order to revive one of China's most famous industries, every obstacle to its development should be removed, the petitioners state.

Anhwei Abolishes Special Business Tax Bureaus

According to a report received at Nanking by the Executive Yuan, all the Special Business Tax Bureaus in Anhwei, which had been established by the Anhwei Provincial Government for the collection of a so-called special business tax have been abolished in accordance with the order of the Yuan. The new tax was instituted for the purpose of overcoming the serious financial diffiulties which had almost paralyzed the provincial administration, the report points out. With the aboliton of the new tax, the Yuan has instructed the Ministry of Finance to devise appropriate measures for the financial relief of the Anhwei Provincial Government.

Railways Cooperate to Fight Cholera Epidemic

The Chinese Railway authorities are cooperating with the local governments to check the spread of the cholera epidemic now raging in various parts of the country.

Reports from Chengchow indicate that the suspension of railway services on the Lung-Hai Line between Tungkwan and Wensiang has prevented the epidemic from spreading eastwards. But unfortunately it has travelled westward, infecting the city of Hwayin, 13 miles west of Tungkwan. About 150 victims have already succumbed to the disease at Hwayin, it is reported.

Strict precautions are also being taken by the Peiping-Suiyuan Railway Authorities at Kueisui (Suiyuan) in detecting cases of cholera among incoming passengers from Paotao, the present terminus of the Railway,where cholera has made its appearanec. Fatalities at Paotao are said to have mounted to 400.

The situation at Linchwan, south-east of Nanchang, in Kiangsi, is reported to be acute. Other districts in the vicinity are also suffering from the epidemic.

Chang Koh Dau, the New Communist Leader

(From "Yung Hua Jih Pao," one of the smaller Shanghai Chinese Newspapers)

When speaking of the Chinese Communist Party, the public pay attention to Chen Tu-hsiu and overlook Chang Koh-dau. Chen Tu-hsiu is no longer active so Chang Koh-dau may be considered as the present leader of the Chinese Communist Party.

Chen Tu-hsiu is despotic while Chang Koh-dau is a man of cunning. Chang attained his present high position by winning the confidence of those who had been chastised by Chen Tu-hsiu, consequently, in 1927, he had with him such active members of the party as Wen Tai-ying Chiu Chiu-bah, Chow Un-lai, Chang Tai-lay, Hong Ying, Hsiang Tsong-fah, etc., while Chen Tu-hsiu had only three or four supporters, namely Chao Sz-yee, Lo Yih-noong and Bang Zuh-ts.

Following the "August 7 Conference," the powers of the Central Executive Committee of the Communist Party passed from Chen Tu-hsiu's hands and, at the same time, a large number of his followers met a sad fate in Shanghai, while Chiu Chiu-bah and Hong Ying, of the Wuhan clique, criticised their mistakes.

In the winter of 1929, Bang Zuh-ts, Ma Yuen-foo and others organized an "Elimination Clique" and they were expelled from the party. Then there arose the "Liu San Rout" and the "Koo Cheng-chang Case" but their occurrence did not in any way affect the success of Chang Koh-dau.

Who is now the Stalin of the Chinese Communist Party? Neither Chen Shao-yu, secretary of the Central Committee, nor Mau Tseh-toong, president of the People's Committee of the Chinese Soviet, is qualified for this title: the only man who merits it, therefore, is Chang Koh-dau.

It may be thought that no militarists can find a place in the party, but it should be remembered that the Chinese Communist Party is a peculiar organization and is not based on Communist principles. It is organized according to military circumstances. Consequently, the Chinese Communist Party cannot be devoid of militarists. At the recent general election of the All-Kiangsu Plenary Session, over 40 Communist military warlords were elected and, moreover, the leaders, of the various districts and provinces are mostly militarists.

Bad Government and Poverty as Causes of Banditry

(From the "Shun Pao," one of the principal Chinese Newspapers in Shanghai)

Of late, the influence of the Communist-bandits has been spreading far and wide, especially in Hunan, Hupeh, Kiangsi, Fukien, Szechuen, Anhui and Honan. After the Japanese withdrawal, a general campaign under the direction of General Chiang Kai-shek was launched against these lawless people by the Government.

Banditry is due to bad government and poverty. People do not like to become bandits if they can avoid it. For this reason, bandits cannot be exterminated by suppression. The incompetence of the Government is the cause of banditry, therefore there should be reforms in politics, in the reconstruction of agricultural districts, in the maintenance of the people's livelihood and in the reorganization of troops, for, under present conditions, the influence of banditry will spread.

Chinese peasants are, by nature, thrifty and peace-loving; they love their homes and native places. Owing to oppression and bad government, they have been compelled to leave their lands and become bandits and those who are thus forced to become bandits are being attacked and killed by the Government.

In the course of a speech the other day, General Ho Ying-ching said, "A magistrate of a certain hsien is forcing the people to pay a sum of money monthly under pain of being regarded as bandits. A certain member of a Kuomintang Committee has arrested people without reason and held them for ransom. Such Government methods will force good citizens to become bad." Such incidents are not confined to any one district. Similar cases are taking place all over the country. The district officials are covetous and are harming the people. Recent acts of the Central Government are indirectly causing people to become bandits.

In the United States Court for China

In re.	Cause No. 3460
Estate	Special Proceedings No. 1550
of	NOTICE
RODNEY KEELER HEIM,	
Deceased	

Pursuant to an Order of said Court notice is hereby given to all persons having claims against the estate of RODNEY KEELER HEIM deceased, to present the same with vouchers to the undersigned on or before January 1st 1933, and all persons owing debts to said deceased are hereby notified to make payments of the same in due course to the undersigned.

RAVEN TRUST COMPANY

Shanghai, China. Fed Inc U. S. A.

June 29, 1932. 29 Nanking Road,

Shanghai, China.

In the United States Court for China

In re.	Cause No. 3459
Estate	Special Proceeding No. 1549
of	NOTICE
JOHN MARTIN HANSEN	
Deceased	

Pursuant to an Order of said Court notice is hereby given to all persons having claims against the estate of JOHN MARTIN HANSEN deceased, to present the same with vouchers to the undersigned on or before January 1st 1933, and all persons owing debts to said deceased are hereby notified to make payments of the same in due course to the undersigned.

RAVEN TRUST COMPANY

Shanghai, China. Fed Inc U. S. A.

June 29, 1932. 29 Nanking Road

Shanghai.

Effect of Anti-Japanese Boycott on Australia's Trade With the East

BY W. GOCK YOUNG

ONE effect of the Japanese boycott by China, which has special interest for Australia, is the strong stimulus it has given to the Chinese textile manufacturing industry, and particularly to those branches of it in which the raw material used is chiefly wool.

The Australian people may not realise the intensity of the national feeling behind this movement, and are perhaps unable to realise the extent of its inevitable reactions upon Eastern trade and industry. My object here is to turn the light on the position as it appears from the Chinese standpoint, so that Australians may get a clear idea of how their own great national industry—wool growing—is likely to be affected.

In the first place let it be understood that the boycott is of world-wide scope, and applies to every country in which Chinese and Japanese have hitherto had commercial relations. Nowhere will any Chinese trade with any Japanese. In the second place, the boycott has come to stay; at any rate as long as the cause of it remains. When a neighbor is in a man's house, no matter how he came to be there, if he uses his position for the purpose of insulting the owners and damaging their goods, he cannot reasonably expect them to assist him in carrying on his own business. It may be deplorable that the two great nations of the East, which nature intended to live in peace and amity, should be found adopting such an attitude towards each other. But, if Japan objects to the boycott, it is for her to cease giving provocation for it. Nothing is more certain than that until China is convinced by the logic of actual facts that Japan has resolved to abandon once and for all her aggressive policy, China's determination to retaliate in the only way open to her will remain unshaken. Hence China, which has hitherto imported the great bulk of her woollen fabrics from Japan, is now looking elsewhere. But instead of going to other countries, she has determined to establish factories for supplying her own wants, by the employment of her own capital and her own labor. Big money is already going in this direction, with the result that China, which at present buys directly little or no raw wool, will soon become an important customer for that commodity.

The First Move

One of the firms to move in this matter, is the Wing On Co. Ltd., which amongst its numerous branches, has for many years had one in Sydney which occupies a prominent place in Chinese commerce throughout Australia and the South Pacific. This Company, or rather group of Companies, includes The Wing On Co. (Shanghai) Ltd., Shanghai, capital 10,000,000 dollars, The Wing On Textile Manufacturing Co. Ltd. Shanghai, paid up capital 12,000,000 dollars. The Wing On Fire and Marine Insurance Co. Ltd. Hong Kong, capital 1,500,000 dollars, The Wing On Life Assurance Co. Ltd., Hong Kong, capital 5,000,000 dollars, as well as owning the Great Eastern Hotel, Hong Kong; and The Great Eastern Hotel, Canton, has its head office at Hong Kong, to which is allocated a capital of 5,000,000 dollars, exclusive of the above amounts. At this office, 2,000,000 dollars have just been provided to erect new premises required for the accommodation of its rapidly increasing staff.

The Wing On Textile Manufacturing Co. Ltd., Shanghai, was started in 1922 with a capital of 6,000,000 dollars, for one factory. Now it operates three factories on a capital of 12,000,000 dollars and employs 20,000 hands.

This remarkable increase bears testimony to the rapidity with which, despite civil war and unprecedented floods, business in China is growing, and gives some index as to the rate of expansion to be anticipated when normal conditions return. In this growth, the market for woollen goods has participated on a corresponding scale, the benefit of which increase went to foreign and mostly Japanese factories.

In the near future, China will take the benefit of her woollen trade to herself.

The Wing On Textile Manufacturing Co. Ltd., having already had large experience in the making and marketing of cotton goods, finds itself in an ideal position for seizing this opportunity to develop a national industry. It is therefore arranging for the installation of a big woollen manufacturing plant, and if this branch of the business grows at the same rate as that of the same Company's cotton department, a large production of the new material must be looked for.

Woollen manufacture is taking root as a permanent industry in China. Even were the Japanese boycott to cease to-omorrow, the steps that China has already taken would not be retraced. No matter what happens in regard to that, the industry of woollen manufacture, not as yet carried on in a big way in China, when once started, must continue and progress at an ever-increasing rate. For the Chinese having their own capital directly at stake, will be under an obligation to push the woollen trade, from which before they were exempt.

Already sample bales of wool have been shipped from Australia to China, accompanied by experts to advise as to the kinds best fitted for manufacturing the class of goods most likely to be favored by the Chinese market, and at next season's wool sales here, Chinese competitors may appear as a new factor in helping to sustain the prices.

The absorbing power of the Chinese markets in such that all nations are showing eagerness to benefit by it, and with the mutual good-will at present existing between China and Australia, and the mutual advantages offered by the developement of their trade, no country has a better opportunity of extending its business in the East than this.

Sydney, Australia, June 7, 1932.

Chinese Educational Commission to Start for Europe Next Month

The Chinese Educational Investigation Commission to Europe appointed recently by the Ministry of Education will sail from Shanghai on August 5. The Commission, whose tour will be made under the auspices of the League of Nations, is composed of five prominent leaders in educational circles: Messrs. Yang Lien, Chen Chi-pao, Li Hsi-mou, Kuo Yu-shou, and Hang Li-wu.

In the course of their tour, the Commission will make a special study of educational administrations as well as educational systems and methods in the various countries which it will visit with a view to incorporating desirable features into the Chinese educational program.

Paotingfu Normal School Indefinitely Closed

In view of recent troubles, the Provincial Second Normal School for Hopei, located at Paotingfu, will be suspended indefinitely, according to a decision of the Hopei Provincial Department of Education. Appropriations for the school will for the present be placed in the custody of the Department, pending resumption of activities.

Regarding those students who were either wounded or arrested during the fight with the police on July 6 when the latter attempted to enforce Government orders for the reorganization of the school, they will be handed over to the local authorities for trial. Others less seriously implicated who have been expelled or are under examination, will be given recommendations for admission to other institutions.

Militarists Still Hold on to Railway Equipment

Renewed request for immediate return of rolling-stock detained by the various military units is being made to the Ministry of War by the Ministry of Railways. Although an order to the above effect was recently issued by the Ministry of War, the communication states, few military units have complied with the instructions. As a result, administration of the various railways is greatly hampered, especially in the case of the Peiping-Hankow Railway, which has the largest number of locomotives and cars commandeered by the military.

America's Interest in Japan's "Indemnified" Silk

Considerable interest has been aroused in New York silk circles over Yokohama reports that the Japanese Central Raw Silk Association has proposed to the Japanese Government that the indemnified stocks be utilized for a silk promotion campaign in the United States. However, American interests are reported as preferring to await details before commenting, expressing the opinion that the plan, as outlined in brief in newspaper despatches, scarcely affords a basis for discussion,

When Japanese Sugar Appears as Javanese Sugar

The local Chinese Sugar Merchants' Guild officials allege that some of the "traitor" sugar merchants are selling Japanese sugar in the guise of Java sugar, after having mixed a small ingredient of Japanese material and having changed the trade mark. The Guild officials have ordered a thorough investigation into the matter, adding that in future the Guild is going to issue a special certificate covering Javanese sugar in order to make it easy for ordinary merchants to make quick distinction between the Javanese and Japanese sugar.

Japanese Seize C.E.R. Wharf and Warehouses at Harbin

Five Japanese, headed by Mr. Horiuchi, Japanese adviser, in their capacity as staff of the Manchurian River Fleet, appeared at the wharf of the Chinese Eastern Railway in Harbin July 7 and demanded that the manager of the C.E.R. Commercial Agency hand over to them the station and the keys of the C.E.R. warehouses. Upon the refusal of the C.E.R. officials to comply with this demand a police detachment, under command of a Japanese adviser, occupied the wharf. The railway watchmen were driven away and the seals and locks of the warehouses were torn off. Prior to this seizure of the C.E.R. wharf the C.E.R. staff of the river fleet had been prohibited from loading goods at the station and barges arriving at the wharf with bean freights from Sangsin consigned to "Exportkhleb" (Soviet Grain Export Trust) were forcibly driven off, together with the workers. The *Tass* news agency says the seizure of the C.E.R. wharf constitutes an arbitrary violation of the existing agreement.

Huai River Conservancy Board Chairman Resigns

Chuang Sung-fu, Vice and Acting Chairman of the Huai River Conservancy Board, has tendered his resignation. The *Kuo Min* news agency understands that Mr. Chuang has become discouraged, as financial difficulties have rendered impracticable all plans for conservancy of the Huai River. The Government has turned down his scheme for the reclamation and development of over two million mow of swamps along the old bed of the Yellow River in northern Kiangsu. Mr. Chuang is of opinion that under his scheme sufficient funds for the realization of the plans of the Board could be secured.

Latest New York Stock Exchange Quotations

Market:—Steady. Business Done 500,000 Shares

July 20, 1932

1931 High	1932 Low	Div.$ per Sh.	STOCKS	Mon. July 18	Tues. July 19
23½	1⅝	—	Adams Express	2⅛	2⅛
182¾	43½	•6.00	Allied Chemical & Dye	46¼	46⅛
42¾	4⅛	.50	Allis Chalmers	5⅜	5⅛
129¾	30¼	•4.00	American Can	32⅞	32⅝
51¾	2	—	Amer. & Foreign Power	2⅞	3
31½	1⅛	—	Amer. & For. Power W.	1⅝	1⅝
58½	5¼	—	American Smelting	8¼	8
201¾	71¾	9.00	American Tel. & Tel.	72⅝	72⅞
132¾	45	•5.00	American Tobacco "B"	53⅝	54⅛
80¾	11⅛	2.00	American Waterworks	12½	12¼
43¼	3	—	Anaconda Copper	4	3⅞
295½	30¼	•4.00	Auburn Automobiles	48	47
87⅞	3⅞	—	Baltimore & Ohio	6⅛	6
70⅜	7½	—	Bethlehem Steel	9⅜	9⅝
76½	20⅛	•2.00	Borden Company	22⅞	22⅞
80¾	3½	—	Borg Warner	4½	Unq.
45¾	7⅜	1.25	Canadian Pacific Railway	11	10⅞
131½	17⅝	—	Case, J. I.	24⅜	24⅛
102	19	2.00	Chase Bank	23¼	Not
54⅛	5	2 00	Chesapeake Corp.	6¼	6½
25¾	5⅛	1.00	Chrysler	6½	6⅜
20¾	1⅞	—	Cities Service Co.	2⅛	2⅛
45⅝	4⅞	1.00	Columbia Gas & Electric	6½	6⅛
12	1¾	.30	Commonwealth & Southern	2⅛	2
2¾	¼	—	" " warr.	¼	¼
109⅝	33⅝	4.00	Consolidated Gas. of N.Y.	36¼	36⅝
12	4	—	Continental Oil	5	5⅛
86⅝	25	•3.00	Corn Products	28⅞	28¾
5⅞	⅝	—	Curtiss Wright Co.	1	1⅛
78¾	23	4.00	Drug Incorporated	27¾	27¾
107	22⅛	3.00	Du Pont de Nemours	22⅛	22⅛
185¾	36	5.00	Eastman Kodak	37	36⅜
61	5¼	6% S	Electric Bond & Share	6⅞	6⅝
60¾	2⅞	—	Electric Power & Light	3½	3½
38⅜	1	—	Fox Film "A"	1⅛	Unq.
54¾	8⅝	.40	General Electric	10⅛	9⅞
56	19⅞	2.00	General Foods	21¾	20⅜
48	7⅝	1.00	General Motors	8⅜	8⅝
84⅛	6⅛	1.00	General Railway Signal	8¾	8¼
38¾	9¼	1.00	Gillette Safety Razor	15¾	16
42½	8⅜	1.60	Gold Dust	11	10¾
20⅞	2¼	—	Goodrich Rubber	2¾	Unq.
52¾	5¾	—	Goodyear Tire & Rubber	8¼	8
62½	4	—	International Cement	6⅝	6
4	½	—	International Combu. Eng.	¾	Unq.
60½	10½	1.80	International Harvester	12	12¼
20⅛	3⅝	—	International Nickel	5⅝	5⅜
38¾	2¾	—	International Tel. & Tel.	4½	4½
80¾	10	—	Johns Manville	12	11¾
31½	5	—	Kennecott	6¾	6¾
27¾	1/32	—	Kreuger & Toll	1/16	1 16
91⅜	34⅛	•4.00	Liggett & Myers, "B"	43¼	43⅜
63¼	13½	•3.00	Loew's: Inc.	15½	15½
21⅞	9	1.20	Lorillard P. Co. (com.)	13⅛	13¾
19	1½	—	Ludlum Steel	Unq	Unq.
29¼	3⅜	—	Montgomery Ward	5½	5½
108½	23¾	2.00	National City Bk. bid price	27¼	Not
14⅜	2½	—	Nevada Copper	Unq.	Unq.
132¼	9	—	New York Central	12⅜	12⅛
90¼	14⅜	10%S	North American Co.	16⅜	16
54⅞	17¼	2.00	Pacific Gas & Electric	20¼	20⅛
11⅞	1⅝	—	Packard Motors	Unq.	1⅝
50¼	1⅛	—	Paramount—Publix. Corp.	1¾	1⅞
64	7	—	Pennsylvania Railroad	8⅛	8⅛
8½	1	—	Pennroad Corporation	1⅛	1⅛
16⅝	2½	—	Phillips Petroleum	4¼	4⅛
96	28⅞	3.40	Public Service of N. Jersey	31⅞	31¼
27½	2⅝	—	Radio Corporation	3⅝	3⅞
24½	1½	—	Radio-Keith Orpheum	2⅛	2¼
54½	26⅝	3.00	Reynolds Tobacco "B"	27¾	28⅜
62¼	10	—	Sears Roebuck	12½	12⅜
10¼	2½	—	Shell Union	3⅞	4
23⅜	3	—	Simmons Company	Unq.	Unq.
26½	5⅜	.80	Socony-Vacuum Corp.	8½	8¼
54½	16⅝	2.00	SouthernCaliforniaEdison.	19⅝	20⅛
88¾	8¼	2 00	Standard Gas & Electric	10½	10½
54½	20¼	•1.00	Standard Oil of N. Jersey	25½	25⅛
26¼	9⅜	1 00	Texas Corporation	10¾	10¾
55¾	12⅛	2.00	Texas Gulf Sulphur	14½	14⅞
18	2	—	Trans America	3⅛	3⅛
72	15⅝	1.20	Union Carbide & Carbon	16⅞	16⅝
205½	28	6.00	Union Pacific Railway	31½	32
38⅞	6⅝	—	United Aircraft & Trans.	9⅝	9¼
31¼	3¾	.40	United Corporation	4⅞	4⅞
37½	10½	1.20	United Gas Improvement	13	13⅛
20⅜	2	—	U.S. Rubber	Unq.	2⅝
162¾	21½	—	U.S. Steel	22⅞	22¾
76¾	5¼	—	Vanadium	7⅝	Unq.
20⅜	⅝	—	Warner Bros. Pictures	⅝	⅝
107¾	15⅞	—	Westinghouse E. & M.	17¼	17¼
72⅝	23⅛	2.40	Woolworth	25⅝	25⅝
•Plus extras			Call Money	2%	2%

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Japan Will Not Allow Manchuria's Return to China

The final meeting between the members of the Lytton Commission and Count Uchida, Minister for Foreign Affairs, was held in Tokyo, July 14, when Count Uchida made it clear that Japan would never agree to the return of Manchuria to China.

The Foreign Minister declared that Japan had no intention of extending immediate recognition to the new State as she desired first of all to be assured of the stability of the Manchukuo regime. Once Japan was thus assured, she would seek the conclusion of a treaty on equal terms simultaneously with recognising the new State, he said. It is understood that once recognition is accorded, Japan will decline to negotiate either with the League of Nations or with the Chinese Government regarding Manchuria.

According to press reports Count Uchida is believed to have stressed to the Members of the Commission the impossibility of reaching any kind of settlement on the question so long as the matter was encased in the theory of formalism. For, he is believed to have said, the question vitally concerns the very economic life and national defence of Japan, to which the only road to a solution is consideration from the aspect of attaining permanent peace in the Far East by "practical means."

According to the *Nichi Nichi*, anxiety is felt lest the difference of opinion between Japan and the Commission regarding the solution of the problem will lead to a frontal clash between the League of Nations and Japan, and result in Japan's secession from the League.

General Ma Retires from Antachan

According to a radio despatch from General Ma Chan-shan, Chairman of the Heilungkiang Provincial Government, Japanese troops are concentrating along the Hulan-Hailun and Tsitsihar-Keshan Railways.

A battle was fought at Lintien 60 miles south-east of Tsitsihar, on July 9 during which one Japanese Major-General was killed, the message reports. From Lintien the Heilungkiang units then advanced and captured Antachan (Station), on the western section of the Chinese Eastern Railway. As the Japanese were rushing their main forces from Angangchi, Ma's troops had to withdraw due to lack of reinforcements. In view of the fact that Japanese units along that area had been considerably augmented, severe fighting was expected momentarily, the despatch concluded.

General Ma and his subordinates are reported by the Japanese to be in hiding in the mountains near Tunghsing-chen, which is located east of Suihua.

Son of Old China Missionary Goes to Cameroun, West Africa

Charles J. Woodbridge, son of the late Reverend S. I. Woodbridge, D.D., who for forty years was a resident in China, connected with the Southern Presbyterian Mission, sailed from New York on the s.s. *Majestic* on June 22, to engage in missionary work in the Cameroun, West Africa. He was accompanied by Mrs. Woodbridge and their infant daughter.

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The National City Co. Gold Bond Quotations Received From Head Office

July 21, 1932,

SECURITY	RATE & DATE DUE		Price	Approx Yield %
The National City Bank of New York	Stock		26½	—
Argentine Government	6 %	May 1, 1960	46	—
U. S. of Brazil	6½%	Oct. 15, 1957	18½	—
Republic of Finland ..	6½%	Sep. 1, 1956	50	—
German Central Bank for Agriculture	6 %	Oct. 15, 1960	41 bid	—
Kingdom of Italy	7 %	Dec. 1, 1951	90½	7.97
State of Minas Geraes Series "A"	6½%	Sep. 1, 1959	11½	—
State of Sao Paulo (Brazil)	7 %	Oct. 1, 1940	59	—
American I.G. Chemical Corporation..	5½%	May 1, 1949	69½	9.04
Rhine Westphalia Electric Power Corp. ..	6 %	Apr. 1, 1955	40 bid	—

QUOTATIONS RECEIVED FROM LONDON OFFICE

Republic of China Gold Loan	5 %	1925	60½	—
Chinese Govt. Re-org. (£) Loan Stamped ..	5 %	1913/60	64	—
Chinese Govt. Re-org. (£) Loan Unstamped	5 %	1913/60	62	—
Chinese Government (Crisp Loan)	5 %	1912	39	—
Shanghai-NankingRailway..	5 %	1904/08	30	—
Shanghai - Hangchow-Ningpo Railway ..	5 %	1908/58	58½	—
Hukuang Railway.. ..	5 %	1911/1951	15	—
Tientsin-PukowRailway	5 %	1958/09	17	—

NOTE: The above quotations are received by cable and whilst believed to be correct are not guaranteed.

The National City Bank of New York, Rates of Exchange

Shanghai, July 19, 1932

Demand selling rate on America: U.S. 1.00=Sh. $4.9159
Demand buying rate on America: U.S. $1.00=Sh. $4.7858
Demand selling rate on London: £1.0.0=Sh. $17.492
Demand buying rate on London: £1.0.0=Sh. $16.964

Chinese Government Railways

Shanghai-Nanking and Shanghai-Hangchow-Ningpo Lines

From Shanghai to Nanking: 311.04 Kilometers

From Shanghai to Hangchow: 189.57 Kilometers

The Shanghai-Nanking Line extends from Shanghai, one of the greatest seaports in the world, to Nanking, the seat of the Nationalist Government of China. Short as it is when compared with the other trunk Lines in China, it serves a rich and densely populated district of preponderant importance, politically, as well as commercially and industrially. The whole Line is dotted over with points of known scenic beauty too numerous to be all mentioned here. Tourists and travellers should utilize the train service of this Line at least to visit Soochow, known as the "Garden City of the Orient," Wusih, the picturesque city on Lake Tai-hu, Chinkiang, the "Gate of the Yangtze River,' and Nanking, a city rich in historic remains with the new grand Mausoleum of modern architecture for Dr. Sun Yat Sen, Founder of the Chinese Republic.

The Shanghai-Hangchow-Ningpo Line runs southwestward from Shanghai through a tract of beautiful places. At Lunghwa one will see the famous Pagoda with a long history attached to it; at Sungkiang, the observatory of the French Fathers at the summit of Sha Shan and the grave of General Frederick Ward; at Kashing, the South Lake and the Three Pagodas situated about two miles from the station; and at Hangchow, the present terminus of the Line from Shanghai, the renowned West Lake which called forth highest praise from Marco Polo, with such picturesque surroundings that it has been well called the "Switzerland of China." Tourists! A visit to Hangchow by the comfortable trains of this Line will give you the utmost satisfaction of travel and untold pleasure of sight-seeing.

For further information apply to the Traffic Manager of the two Lines at Shanghai North Station.

中華郵政特准掛號認爲新聞紙類

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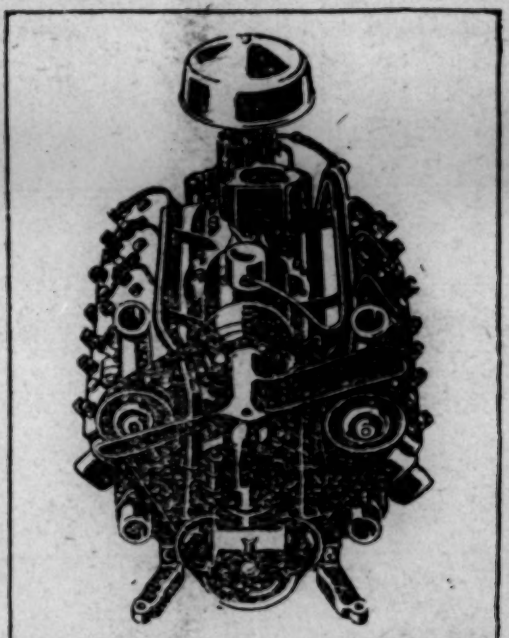
On Display Now
The New Ford V-8 Cars

THE INTRODUCTION of the New Ford Eight marks one of the most important events in the history of the automobile. To millions of motorists it brings a wholly new standard of value in a low-price car.

When you see the New Ford Eight and drive it, you will realize that it is the complete answer to your motoring needs. Here are beauty and safety and comfort. Here are exceptional speed and acceleration, the smooth-flowing power of an eight-cylinder engine, reliability and economy. Here are silent second speed and silent synchronized gear shifting. Here, in a word, is all you desire in a motor car at an unusually low price.



The beautiful New Ford V-8 is now on display in this city. There is also an improved Ford four-cylinder 50-horse-power engine operating with new smoothness. It is available in the same fourteen body types as the V-8.

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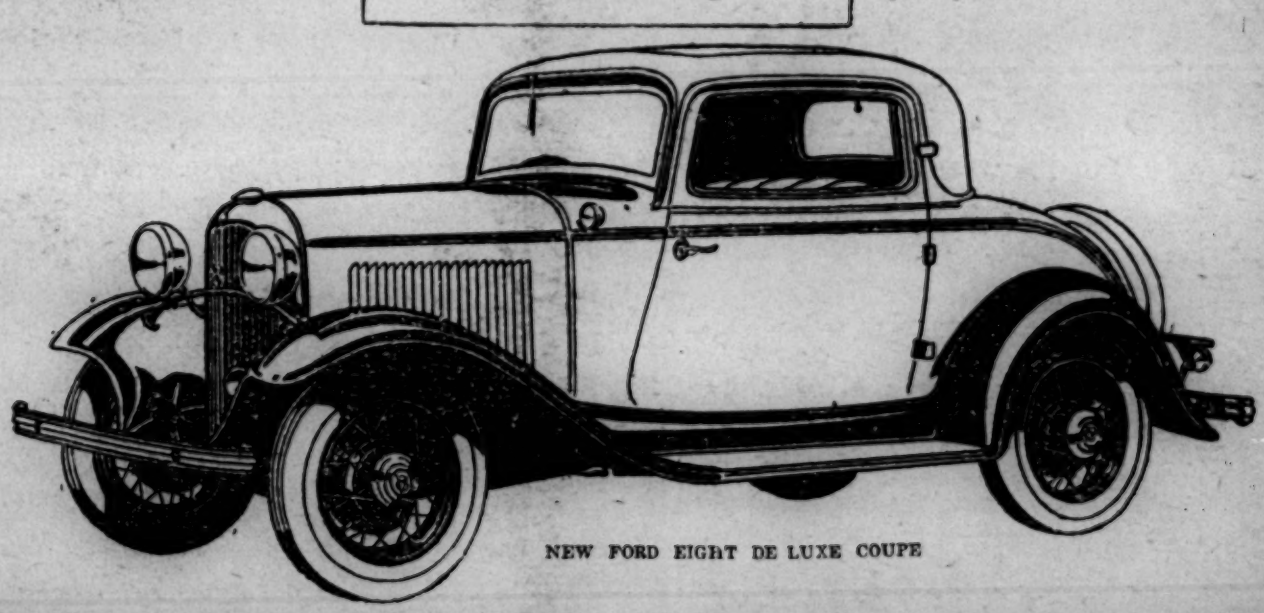
"The car itself unquestionably represents the crowning achievement of Ford's 29 years as a manufacturer, as it is thoroughly conventionalized along the lines of current practice in the industry; and in the layout and execution of the power plant can be found both unexpected refinement and a number of points of unquestionable advantage over current practice in other lines."—Automobile Topics, April 2, 1932.



NEW FORD EIGHT DE LUXE COUPE

Eight-cylinder, 90-degree V-type, 65-horsepower Engine—Vibrationless—Roomy, Beautiful Bodies—Low Center of Gravity—Silent Second Gear—Synchronized Silent Gear Shift—Seventy-five Miles per Hour—New Self-adjusting Houdaille Double-acting Hydraulic Shock Absorbers with Thermostatic Control—Comfortable Riding Springs—Rapid Acceleration—Low Gasoline Consumption—Reliability—Automatic Spark Control—Down-draft Carburetor—Bore, 3 1/16—Stroke, 3¼—Piston Displacement, 221 Cubic Inches—90-degree Counterbalanced Crankshaft.

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